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Cambodian SNC Meeting Begins

Delegates, Officials Arrive for Jakarta Meeting

UN Envoy, Others Arrive

BK3105131991 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 31 May 91

[Text] Accompanied by 60 delegate members, Rafiuddeen Ahmad, a special envoy of the UN secretary general, and Ieng Muli, secretary general of the Khmer People's National Liberation Front [KPNLF], arrived in Jakarta today to attend the second-phase meeting of the Cambodian Supreme National Council [SNC]. The Directorate of Information of the Foreign Affairs Department disclosed that other delegate members, including Prince Norodom Sihanouk, the president of the Coalition Government of Democratic Kampuchea, and Hun Sen, the Vietnamese-backed Phnom Penh prime minister, will arrive in Jakarta tomorrow.

The SNC meeting will be held at Jakarta's Hotel Indonesia from 2 to 4 June as a follow-up to the first-phase SNC meeting in Paris last year aimed at seeking a comprehensive solution to the 12-year- old Cambodian conflict.

Hun Sen, Son Sann, Others Arrive

BK0106134891 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 1 Jun 91

[Text] Indonesia and France will try very hard to settle the diferences of opinions among the Cambodian factions through a meeting of the Supreme National Council, SNC, expected to begin tomorrow in Jakarta.

Key leaders involved in the settlement of the Cambodian issue such as Hun Sen, Son Sann, and Khieu Samphan arrived in Jakarta this afternoon to attend the meeting scheduled to be held for three days.

Prince Sihanouk is also in Jakarta at the invitation of President Suharto as the meeting is scheduled to take. The senior Cambodian figure arrived in Jakarta this afternoon. He was greeted on arrival by Suparjo Rustam, coordinating minister for public welfare.

Upon arrival at the Sukarno-Hatta Airport this evening from attending the ASEAN-EC meeting in Luxembourg, Foreign Minister Ali Altas told newsmen that the cochairmen of the meeting on Cambodia issue will try to overcome the difference of opinions blamed for stalling the settlement of Cambodian issue.

[Begin Alatas recording] This will be a second meeting organized by the cochairmen and the 12 SNC members. The first meeting was held in Paris in December last year. In Paris, a joint communique was issued and there was a consensus among all SNC members on most of the fundemental points. Yet there are still several aspects of settlement that require further discussions. Therefore the second meeting is a follow up of the Paris meeting to focus on issues that have not been resolved. [end recording]

The leaders of the Cambodian factions are still holding on to their own principles blamed for the failure of the previous Paris talks. In a statement to newsmen, Hun Sen, prime minister of the Phnom Penh regime, reiterated efforts to prevent the return to power of the Pol Pot regime responsible for a genocide in Cambodia. He said that efforts to solve the Cambodian issue should give priority to this matter.

In the meantime, Son Sann, head of the Kampuchean People's National Liberation Front, appealed to the Cambodian regime in Phnom Penh to accept the UN peace plan.

Khieu Samphan, who refused to speak to newsmen, issued a statement in which he, among other things, called on Phnom Penh to accept the draft agreement adopted at the Jakarta meeting last year.

French Foreign Minister Roland Dumas is represented at the SNC meeting by Alain Vivien, French secretary of state for foreign affairs.

[Hong Kong AFP in English at 1330 GMT on 1 June carries a Jakarta-datelined item which reads: "Indonesian Foreign Minister Ali Alatas said Saturday, the eve of a new round of Cambodian talks here, he believed efforts to reach a peaceful solution to the long- drawn out conflict were now closer to a solution.

["We are close, we think, we are now much closer to such a solution. We have covered three-fourths of the distance now towards a comprehensive solution." Mr. Alatas told journalists shortly after arriving from a trip to Luxembourg.

[He added however that he was under "no illusion" and that the last quarter would be difficult.

[But the foreign minister made his remarks before the Phnom Penh government disclosed its intention to seek the creation of a genocide tribunal to try Khmer Rouge leaders, which observers said was likely to complicate peace efforts.

[Indonesia and France cochair the Paris Conference on Cambodia which was stalled in 1989 after the warring Cambodian factions disagreed on power sharing arrangements.

[Jakarta is hosting an informal meeting of the Cambodian factions here Sunday and Monday in efforts to smooth the way to a reconvention of the Paris conference. The discussions would revolve around a draft peace text drawn up here last year.

["We will try to bring their positions closer together, try some formulation and indeed give further clarification to persuade acceptance as the text now stands," Mr. Alatas said.

[The two cochairmen have always believed the draft text was balanced and comprehensive, Mr. Alatas said, adding "we are always open to some further improvements."

["However, we would think that nobody wants to reopen the entire text or to make such wide ranging changes that destroys the balance and will unravel all the efforts that have been taken so far in getting so far," Mr. Alatas said.

[French Secretary of State for Foreign Affairs Alain Vivien, who arrived earlier in the day, said he sincerely hoped the meeting here could "accomplish some decisive progress" and that such progress be based "as much as possible on concensus."

[He added that he and Mr. Alatas would make some proposals which he said would "allow some progress to be made," but he declined to elaborate.

[Mr. Alatas said the meeting here would consist mainly of consultations between the cochairmen and members of the Supreme National Council (SNC) which represents Cambodian sovereignty until free elections can be held.

[The SNC, formed here in September 1990, consist of six members from the Vietnam-backed government in Phnom Penh and two of each resistance faction—the Marxist Khmer Rouge and the non-communist forces loyal to former monarch Norodom Sihanouk and former Premier Son Sann."]

Hun Sen Remarks on Genocide Upon Arrival

BK0206055691 Phnom Penh SPK in English 0513 GMT 2 Jun 91

[All quotation marks as received]

[Text] Phnom Penh SPK June 2—Cambodian Prime Minister Hun Sen said in Jakarta Sunday that he would propose in the SNC [Supreme National Council] meeting, scheduled to begin today, that an international tribunal be set up to try the Khmer Rouge leadership, who are responsible for crime of genocide.

Speaking to journalists at Sukarno Hatta Airport where he and the other five SNC members from Phnom Penh arrived in the afternoon from Bangkok aboard Thai Airway International flight, he said "it is one of the provisions I will propose to be included in the draft agreement."

He said that what he would propose would address the State of Cambodia concern and the measures to deal with it. The issue concerned, he said, is the measure to prevent the genocide, which measure, according to him, would link to the military arrangement and also to the interaction between the UN mandate and the question over the sovereignty of Cambodia.

"The specific problem of Cambodia is the issue of genocide which is the first priority we will propose," he stressed.

He continued: "Not only just tribunal but there will be more measures which will also include the banning from taking part in the process of election any parties which have not declared their opposition to the return of genocide." By so doing, he said, we can guarantee that there will be no more violation of the basic human right and no return of genocide in Cambodia."

On the question whether Khieu Samphan and Son Sen who are already members of the SNC would be included in the Khmer Rouge leadership who are responsible for crime of genocide, he said it is the duty of the tribunal to state that. He, however, said the UN convention on the prevention and punishment of the crime of genocide did not state that any head of state or head of government would be excluded. Anybody will be fallen [as received] into the UN convention, he stressed.

Prince Norodom Sihanouk and Khmer Rouge Leader Khieu Samphan with their respective parties also arrived in Jakarta in the same flight.

Further on Comments

BK0206033091 Hong Kong AFP in English 0323 GMT 2 Jun 91

[Text] Jakarta, June 2 (AFP)—Cambodia's warring factions were opening three days of talks Sunday, with the delicate negotiations on a U.N. peace plan made more difficult by a hardening of Phnom Penh's position on the issue of genocide.

"It's going to complicate things," a senior Western diplomat said of the insistence by the Vietnamese-installed government that a genocide tribunal to try Khmer Rouge leaders be made a part of the agreement.

Phnom Penh Prime Minister Hun Sen said on arrival here Saturday that the genocide question was his top priority when Cambodia's Supreme National Council (SNC) meets with France and Indonesia, which are co-chairing peace efforts.

But the Khmer Rouge, which is part of the SNC with two other resistance movements and Phnom Penh, is highly unlikely to accept the trial of its leaders for the deaths of hundreds of thousands of Cambodians during their rule 1975-1979, observers said.

The Khmer Rouge had no immediate reaction to the tribunal proposal, which Mr. Hun Sen said was part of Phnom Penh's drive to keep genocidal leaders from returning to power in Cambodia.

The talks, scheduled to open at 11:30 A.M. (0430 GMT), are considered crucial to keeping alive hopes of implementing the peace plan drafted by the five permanent members of the U.N. Security Council and accepted by the factions in December.

"It is indispensable that we make progress at this meeting," the Western diplomat said. "If no progress is made that would discourage a lot of good will."

Also at stake was continuation of a cease-fire declared on May 1. The Khmer Rouge, militarily the most powerful of the resistance groups, has said it would call off the cease-fire Wednesday if no progress is made here.

Besides Phnom Penh, other participants at the meeting expressed optimism that the discussions at the Indonesia hotel here would advance efforts to resolve the 12-year-old conflict.

They expressed a willingness to consider improvements in the plan put forth by the permanent five—the United States, China, Britain, France and the Soviet Union—but stressed that the framework of the accord must remain intact.

The last SNC member to arrive, Prince Norodom Ranariddh, the son of resistance leader Prince Norodom Sihanouk, said in a statement late Saturday that his group "will spare no efforts to fully cooperate in a spirit of compromise."

Prince Sihanouk was not expected to take part in the formal discussions but speculation persists he could be d[illegible]ed to head the SNC, made up of six members from Phnom Penh and six from the resistance.

The permanent five plan would put Cambodia under U.N. management pending free elections in the country, where Vietnamese forces chased the Khmer Rouge from power in January 1979.

In addition to genocide, other problems areas are the demobilisation of forces which have been fighting in Cambodia and the question of the SNC's relationship with the United Nations, officials here said.

Cochairmen Open Meeting on 2 Jun in Jakarta

BK0306075491 Phnom Penh SPK in French 0405 GMT 3 Jun 91

[Text] Phnom Penh 3 Jun (SPK)—According to a dispatch from our correspondent in Jakarta, the second meeting between the cochairmen of the Paris International Conference on Cambodia (PICC) and the Supreme National Council (SNC) opened in the Indonesian capital Sunday afternoon after 45 minutes of delay due to preliminary discussions between the PICC cochairmen and the different Cambodian factions.

Opening the meeting, Indonesian Foreign Minister Ali Alatas stressed that the 26 November 1990 draft agreement worked out on the basis of the 28 August 1990 framework document is "regarded merely as a proposal that was to be neither accepted nor rejected."

He said that "however, the cochairmen are convinced that the document could be subject to some constructive amendments so that it could become acceptable to all conflicting factions and to all participants in the Paris conference, but these modifications should conform with the approach of the framework document."

The Indonesian minister recalled the final communique of the first dialogue meeting held in Paris last December between the PICC cochairmen and the SNC, saying that there was "consensus on the majority of fundamental points."

However, he said, certain SNC members expressed doubts, raised some questions, and pointed out some holes in certain parts of the document, which calls for more discussions. The current Jakarta meeting is called upon to start discussions on these problems that have been raised, he stated.

Mr. Alatas did not specify these problems, but before the opening of his meeting with Premier Hun Sen, he had taken up the question of genocide and military arrangements.

Addressing the meeting, Premier Hun Sen exposed the problems on prevention of the recurrence of genocide, military arrangements, and respect for the Cambodian national sovereignty. He proposed "concrete amendments" to these questions "in order to reach a just, equitable, and realistic solution to the Cambodian problem."

He also proposed the extension of the current cease-fire until the signing of a final accord on a political solution and the cessation of all supplies of arms and munitions to the warring Cambodian parties.

"Such measures can only speed up the peace process," said Mr. Hun Sen, who stated in conclusion: "We have arrived at the threshold of a comprehensive political solution and there is no reason to shed any more blood or to receive and amass any more arms and ammunition."

Alain Vivien, French secretary of state for foreign affairs and head of the French delegation to the meeting, also made a speech to the opening session welcoming the three new members of the SNC from the State of Cambodia.

Also present at the meeting, Mr. Ahmed Raffiuddin, special representative of the UN Secretary General, and General Timothy Dibuama, who led a UN mission to Cambodia within the framework of the cease-fire.

It is to be noted that during the opening session the representatives of the other Cambodian factions, Khieu Samphan, Ranariddh, and Son Sann also made speeches that repeated already known positions.

Further on Opening

BK0206074091 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 2 Jun 91

[Text] In his capacity as one of the cochairmen of the International Conference on Cambodia, Foreign Minister Ali Alatas this afternoon opened the meeting of the Cambodian Supreme National Council [SNC] by stressing the importance of the will to narrow down the differences of opinion among the Cambodian factions. In his opening address, Ali Alatas hoped that progress would be achieved at the current meeting, which is a follow-up to an earlier meeting in Paris at the end of last year.

Foreign Minister Alatas, who jointly chaired the meeting with Alain Vivien, French secretary of state for foreign affairs, told the 12 SNC members to focus their discussions on the draft statement issued by the five permanent members of the UN Security Council last August. As for the document issued by the cochairmen at this meeting, Alatas believes there can be improvement to such a document so greater success can be achieved. Three major issues which continue to stall progress are how to prevent the return of the Pol Pot regime's policies and practices, military demobilization, and the role of the United Nations and the SNC during the transition period. The will to narrow down diferrences of opinion is therefore expected at this Jakarta meeting so concrete progress can be achieved.

Meanwhile, Alain Vivien, French state secretary for foreign affairs, expressed hope that the SNC meeting would be successful and that peace would return to Cambodia. He said the SNC meeting should continue its discussions on the peace proposal issued by the five permanent members of the UN Security Council and other proposals by Indonesia and the UN secretary general on 26 November 1991. He also called on the SNC members to realize the urgent need to solve the Cambodian problem. Alain Vivien hoped that the meeting participants would avoid polemics and instead present more moderate proposals.

This first session of the SNC meeting this morning and this afternoon is held behind closed-door and at the moment, the meeting participants are having their lunch. During the occasion, Cambodian Prime Minister Hun Sen and Prince Sihanouk had lunch together at Jakarta's Borobudur Hotel.

Khmer Representative Urges Acceptance of UN Plan

BK0206082691 Hong Kong AFP in English 0821 GMT 2 Jun 91

[Text] Jakarta, June 2 (AFP)—Cambodia's Khmer Rouge on Sunday urged the Vietnam-backed Phnom Penh government not to go back on its acceptance of a U.N. peace plan to end their country's 12-year-old conflict.

In a prepared statement at the latest round of Cambodian talks here, Khmer Rouge leader Khieu Samphan offered his movement's "full cooperation" in discussions to nail down details of the U.N. plan.

Mr. Khieu Samphan made no direct mention of Phnom Penh's late-hour insistence on including in the draft the formation of a tribunal to try Khmer Rouge leaders for genocide during their rule in Cambodia in 1975-79. But Mr. Khieu Samphan said, "What the Phnom Penh party has already accepted, it must not try to reject." He urged the Phnom Penh government not to oppose the draft agreement of November which it had accepted in its entirety.

He said that talks in Jakarta in September which led to the formation of the Supreme National Council (SNC) and further discussion in December in Paris had raised hopes in Cambodia, Vietnam and the rest of the world for peace. "Yet their hopes were utterly dashed as Vietnam and its Phnom Penh regime had rejected the documents immediately after the meetings," Mr. Khieu Samphan said.

He said the current meeting of the SNC with France and Indonesia, co-chairmen of the Paris conference on Cambodia, should have clearly defined objectives. "Here it is absolutely necessary for everyone to pronounce himself once again of his acceptance of the documents," the Khmer Rouge leader said, referring to the U.N. plan.

Son Sann, who head the Khmer People's National Liberation Front, one of the two non-communist resistance forces, said, "It is criminal to delay further peace long due to the Cambodian people."

Should the current meeting fail to reach a compromise, he said, "I can assure you that I will not be an accomplice of the crimes committed against the Cambodian people by depriving them of their rights to self-determination, of their security ensured by the U.N. peacekeeping forces, of their legitimate aspiration for peace within the framework of the U.N. enhanced role in Cambodia.

"I will request once again the world community to take their responsibilities and save the Cambodian people from being kept in hostage," Mr. Son Sann added.

In a brief statement to the meeting, Phnom Penh Prime Minister Hun Sen confirmed that the genocide question was the top priority for his government at the talks.

He said it would "spare no efforts" to improve the peace blueprint with concrete amendments on the oustanding issues, specifically genocide, the military arrangements and the question of Cambodian sovereignty.

"The amendments we are proposing have been made for the sole purpose of reaching a just, fair and realistic solution to the Cambodian problem, the specific distinction of which is the genocide which at present constitutes the most real and threatening danger," Mr. Hun Sen said. But he made no specific mention of his call Saturday for a tribunal to try Khmer Rouge leaders or his proposal that any party which does not renounce genocide be made ineligible to participate in future elections.

"Whatever the outcome of the present discussions, we propose that the ceasefire now in place be extended until the final agreement on the political solution has been signed and that all supplies of arms and ammunition to the fighting Cambodian parties be cut off," Mr. Hun Sen said.

The other non-communist resistance leader, Prince Norodom Ranariddh, urged Phnom Penh to respect the peace plan, particularly on four points. They were: U.N. verification of the withdrawal of all foreign forces from Cambodia, deployment of a peacekeeping force throughout the country, provisional administration by the United Nations and sovereignty residing solely in the SNC [Supreme National Council].

Hun Sen, Sihanouk Reach Agreement on SNC

BK0306054791 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0400 GMT 3 Jun 91

[Text] According to an SPK correspondent, Comrade Hun Sen, chairman of the Council of Ministers, and Samdech

Norodom Sihanouk reached an agreement in Jakarta on the afternoon of 2 June following the morning session between the Supreme National Council [SNC] and the cochairmen of the Paris international conference. The agreement said the number of SNC members would be increased to 14, including seven members from the Phnom Penh party and seven others from the Cambodian opposition factions.

After attending a luncheon hosted by Samdech Sihanouk at the hotel where the samdech was staying, Comrade Council of Ministers Chairman Hun Sen told reporters that Samdech Sihanouk would be appointed chairman of the SNC and he himself would become vice chairman and that this appointment of the chairman and vice chairman would be made simultaneously.

Comrade Council of Ministers Chairman Hun Sen and Samdech Sihanouk also agreed with each other that the voluntary cease-fire in Cambodia would be extended without limitation of time. However, Comrade Hun Sen emphatically stressed with Samdech Norodom Sihanouk that now there remain only the genocidal Polpotists who object to this truce extension.

Sihanouk Issues Statement

BK0206124491 Hong Kong AFP in English 1228 GMT 2 Jun 91

[By Peter Mackler]

[Excerpts] Jakarta, June 2 (AFP)—Phnom Penh Premier Hun Sen said Sunday he and Prince Norodom Sihanouk had agreed on an expanded Supreme National Council (SNC) for Cambodia with the resistance leader as chairman and himself as vice chairman. [passage omitted]

In a statement later, Prince Sihanouk confirmed Mr. Hun Sen's statement, adding that if he were unable to serve as chairman for some reason, he could appoint a resistance member to replace him and act as temporary co-vice chairman with Mr. Hun Sen. The two would rotate as acting chairman.

Prince Sihanouk, who said he was not a candidate for the chairmanship but would accept being drafted into the council, reiterated that the arrangement had to be acceptable to the Khmer Rouge, "or the SNC proceeding will remain paralyzed."

Khieu Samphan 'Silent' on Accord

BK0306003691 Hong Kong AFP in English 1719 GMT 2 Jun 91

[Text] Jakarta, June 2 (AFP)—Khmer Rouge leader Khieu Samphan kept silent Sunday on an agreement between Prince Norodom Sihanouk and Phnom Penh Prime Minister Hun Sen on the chairmanship of Cambodia's Supreme National Council (SNC).

"Later. Be patient," Mr. Khieu Samphan told reporters when pressed for reaction to the SNC announcement as he emerged from dinner with Prince Sihanouk outside the latest round of peace talks here.

Prince Sihanouk and Mr. Hun Sen earlier announced their agreement that the SNC should be expanded from 12 to 14 members with the former monarch as chairman and the Phnom Penh leader as vice chairman.

The agreement would make Prince Sihanouk the seventh resistance member of the SNC and add a seventh representative of Phnom Penh to maintain parity. But both men said the plan needed the approval of the Khmer Rouge.

The Marxist movement has in the past rejected the notion of giving the vice chairmanship of the SNC to the head of the government which replaced it after the Vietnamese military intervention more than 12 years ago.

The SNC was created to embody Cambodian sovereignty while the United Nations administered the country pending elections.

Khmer Rouge Rejects Accord

BK0306051291 Hong Kong AFP in English 0505 GMT 3 Jun 91

[Text] Jakarta, June 3 (AFP)—Cambodia's Khmer Rouge have rejected proposals by Prince Norodom Sihanouk and Phnom Penh Prime Minister Hun Sen on the leadership of their Supreme National Council (SNC) and an extended ceasefire, Prince Sihanouk said Monday.

A well-informed Western diplomat said nationalist leader Son Sann also rejected the SNC and ceasefire proposals. Prince Ranariddh, Prince Sihanouk's son and head of his movement, expressed disagreement on the SNC proposal but said he wanted to consult his father.

Prince Sihanouk and Mr. Hun Sen announced Sunday agreement on an expanded SNC with the former monarch as chairman and the Phnom Penh leader as vice chairman. They also proposed to extend a month-old ceasefire until a formal peace accord is signed.

The prince said the Khmer Rouge was opposed to Mr. Hun Sen serving as vice chairman of the SNC, created in September as part of a plan to put Cambodia under U.N. management pending elections. "The Khmer Rouge ... said that they (will) not follow me about the appointment of the chairman and vice-chairman of the SNC. ... They only want for the SNC a chairman and not a vice chairman," Prince Sihanouk said.

The prince said that according to the Khmer Rouge, "people should concentrate on the implementation, on the ground and in full, of the peace plan of the five permanent members of the U.N. Security Council" before addressing the issue of the SNC's leadership.

According to Prince Sihanouk, the Khmer Rouge also reiterated that should the warring Cambodian factions fail to reach an agreement here, "they will be obliged to put an end to the cease-fire." "They said that they were strong and that they can eventually win the war," said Prince Sihanouk.

Under the plan advanced by Prince Sihanouk and Mr. Hun Sen, the SNC would go from 12 to 14 members with

Prince Sihanouk becoming the seventh resistance member, plus a seventh to be named by the Vietnamese-backed government to maintain parity.

Khmer Rouge leader Khieu Samphan has so far refused public comment on the proposals. But a Western diplomat, who asked not to be named, said Mr. Khieu Samphan rejected the SNC plan as well as an extended cease-fire during talks Sunday night with Indonesia and France, which are co-chairing Cambodian peace efforts.

The meeting of the SNC with France and Indonesia here has also been complicated by late-hour proposals by Phnom Penh for major amendments to the peace plan on the question of genocide and other issues.

"France and Indonesia tried to adapt the amendments of Hun Sen to make them acceptable to the opposition movement," the diplomat said. "It is not improbable that the SNC has lived its life as well as the perm five plan," the diplomat said in a reference to the peace proposals endorsed by the five permanent members of the United Nations Security Council.

Others here have also expressed increasing pessimism as to the outcome of the Jakarta talks that started Sunday and are due to wind up Tuesday.

'Continuing Squabble' Threatens SNC Talks

BK0306071891 Hong Kong AFP in English 0701 GMT 3 Jun 91

[By Peter Mackler]

[Excerpts] Jakarta, June 3 (AFP)—Cambodian peace talks here were threatened Monday by a continuing squabble over leadership of the Supreme National Council (SNC) and changes proposed by the Phnom Penh government to a U.N. peace plan, diplomats said.

Resistance leader Prince Norodom Sihanouk said the ousted Khmer Rouge regime had rejected a plan for an expanded SNC with himself as chairman and Phnom Penh Premier Hun Sen as co-chairman—along with their call for an extended cease-fire.

A well-informed Western diplomat said nationalist leader Son Sann also rejected the SNC and cease-fire proposals. Prince Norodom Ranariddh, Prince Sihanouk's son and head of his movement, disagreed on expanding the 12-member SNC but said he wanted to consult his father, according to the diplomat.

More troubling, diplomats said, were several amendments to the peace plan proposed by Phnom Penh, including an international tribunal to try the Khmer Rouge for the deaths of hundreds of thousands of Cambodians during its rule from 1975-1979.

The talks are a new attempt to nail down details of a plan drafted by the five permanent members of the U.N. Security Council that would put Cambodia under U.N. management pending elections. The four Cambodian factions approved the framework in december.

But diplomats were increasingly pessimistic about chances for progress at the scheduled three days of talks that opened Sunday under the co-chairmanship of France and Indonesia, sponsors of the Paris conference on Cambodia.

"It is not improbable that the snc has lived its life, as well as the (security council) perm five plan," said one well-informed Western diplomat. [passage omitted]

A major obstacle to progress here, diplomats said, was the amendments to the peace blueprint proposed by Phnom Penh, which has insisted that the question of genocide was its top priority. [passage omitted]

Mr. Hun Sen also presented amendments concerning the status of armies during the transition period and the relationship of the SNC to a U.N. administration that would be set up in Cambodia pending elections.

The Khmer Rouge has made no comment on the proposals but diplomats said the ousted regime as well as the two non-communist resistance factions would find them difficult to accept.

"France and Indonesia tried to adapt the amendments of Hun Sen to make them acceptable to the opposition movement," a Western diplomat said. Another said that the extent of the proposed revisions "is not encouraging."

Sihanouk Meets Suharto on Khmer Rouge Reaction

BK0306053791 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 3 Jun 91

[Text] The Sihanouk-Hun Sen agreement on the new formulation of the Supreme National Council, SNC, membership and the election of the chairman and deputy chairman came under serious discussion during the SNC meeting at lunch in Jakarta today. As expected, Khmer Rouge leader Khieu Samphan rejected the proposal on Hun Sen being elected as the SNC vice chairman, which was proposed by Sihanouk.

Prince Sihanouk held a meeting with President Suharto at Merdeka Palace in Jakarta this morning and informed him of Khieu Samphan's rejection of Sihanouk's proposal concerning Hun Sen's position.

Foreign Minister Ali Alatas is expected to issue a press statement later today on the second day of the SNC meeting in Jakarta, including the Sihanouk-Hun Sen proposal.

Hun Sen Formally Proposes Genocide Issue to Plan

BK0306002691 Hong Kong AFP in English 1712 GMT 2 Jun 91

[Text] Jakarta, June 2 (AFP)—Cambodia's Phnom Penh government Sunday formally proposed inclusion of a genocide tribunal in a U.N. peace plan as well as other measures that diplomats said rival factions would find difficult to accept.

Hun Sen, prime minister of the Vietnamese-backed government, elaborated the proposals in a long meeting with

France and Indonesia, which are presiding over Cambodian peace efforts and the latest round of talks that opened here Sunday.

Asian and Western diplomats said the new proposals would be very hard for other factions, particularly the Khmer Rouge, to accept as they seek an end to the 12-year-old conflict.

The measures were presented as amendments to a blueprint, drafted by the five permanent members of the United Nations Security Council and accepted by the factions, to put Cambodia under U.N. management pending elections.

A copy of the five pages of amendments was obtained by AGENCE FRANCE-PRESSE.

Phnom Penh insisted that the peace draft explicitly mention genocide in connection with the mass deaths of hundreds of thousands of Cambodians under the Khmer Rouge's rule from 1975 to 1979.

It seeks formation of an international tribunal "to condemn those responsible for genocide in Cambodia in conformity with the United Nations Convention on the Prevention and Punishment of Crimes of Genocide."

Phnom Penh also called for inclusion in an eventual Cambodia constitution provisions "barring the return of the genocidal regime" and said any party not renouncing genocide could not paticipate in elections.

Mr. Hun Sen has insisted since arriving here that the question of genocide was his top priority in the three days of talks between Cambodia's Supreme National Council (SNC) grouping all the factions and France and Indonesia.

But the Khmer Rouge reject accusations of genocide and are opposed to any reference to the practice in the peace plan.

On another key issue, the status of the various armies, Phnom Penh reiterated its proposal to put all forces in separate camps under U.N. supervision during the transition period.

It sought the deletion of a provision in the original permanent five plan, first advanced in August, that called for demobilisation of forces during the transition.

The amendments sought by Phnom Penh on the issue of Cambodian sovereignty, which would be embodied by the SNC under the U.N. text, put significant limits on the prerogatives of the U.N. provisional administration.

Phnom Penh proposed a new meeting of the SNC to decide what authority to delegate to the U.N. Administration in order to avoid conflict between the various centers of power.

Mr. Hun Sen presented the amendments at a time when hopes for progress here had received a boost with news of an agreement between him and resistance leader Prince Norodom Sihanouk on the chairmanship of the SNC and its expansion from 12 to 14 members.

But the Phnom Penh proposals injected new pessimism in the effort to keep the U.N. peace effort on track.

Indonesia's Alatas Comments on Proposal

BK0306123891 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 3 Jun 91

[Text] Foreign Minister Ali Alatas said the proposal concerning the chairman and vice chairman of the Cambodian Supreme National Council [SNC] is an internal affair of the SNC and will not affect the main objective of the Cambodian peace talks in Jakarta. Speaking to reporters during a break in the SNC meeting, Ali Alatas said the proposal was something new which would become a topic of discussion.

[Begin Alatas recording] This meeting is supposed to discuss the (?agreement text) and the SNC has nothing to do with it. However, another aspect of the issue has developed, namely, whether it is possible to complete the process of setting up the SNC, in this case, the issue of the posts of SNC chairman and vice chairman. In Jakarta last September, 12 SNC members were appointed, but there was no chairman because there were problems with the posts of vice chairmen. This process has begun to develop because an agreement was reached between Prince Sihanouk and Hun Sen yesterday. However, this agreement is not adequate because other factions must give their approval. Therefore, so far, we have begun to discuss this issue, but official responses from the Son Sann and Khieu Samphan factions have not been received. [end recording]

Meanwhile, after paying a courtesy call on President Suharto at Jakarta's Merdeka Palace today, Prince Sihanouk said Khieu Samphan had rejected the proposal on the SNC chairman and vice chairman. Ali Alatas noted that discussions on the peace plan had reached the consultation stage between the two cochairmen of the meeting and each SNC member. Each Cambodian faction has given its own detailed position with Hun Sen reiterating its stand against the return of the Pol Pot regime.

Japan

Spokesman Remarks on Gorbachev's G-7 Invitation

OW0306084791 Tokyo KYODO in English 0432 GMT 3 Jun 91

[Text] Tokyo, June 3 (KYODO)—Japan remained undecided Monday whether to welcome Soviet President Mikhail Gorbachev to the July summit of seven major economic powers, as momentum appeared to be gathering in favor of the invitation.

Top government spokesman Misoji Sakamoto reiterated to reporters that Japan plans to decide on its position after a consensus is achieved among the seven countries—the United States, Britain, France, Germany, Italy, Canada, and Japan.

His comment came amid press reports quoting Washington officials as saying that Gorbachev is likely to attend the exclusive gathering since at least five nations back the Soviet leader's proposal to be present at the London summit.

Last week, Japanese Prime Minister Toshiki Kaifu said he would not mind if the Soviet president attended the July 15-17 meeting as a guest after the main business is concluded, but that he would not like Gorbachev to be a full participant.

Gorbachev is expected to seek massive Western economic assistance to help the floundering Soviet economy.

Japan has said that it will not make available large-scale financial aid to the Soviet Union until a four decades-old territorial dispute over four islands north of Hokkaido is resolved.

Minister Remarks on Pre-London Summit Meet

OW0106064491 Tokyo KYODO in English 0600 GMT 1 Jun 91

[Text] Tokyo, June 1 (KYODO)—Japanese Finance Minister Ryutaro Hashimoto indicated on Saturday top financial officials from the Group of Seven (G-7) leading industrial nations are expected to hold a meeting before the mid-July London summit.

Hashimoto said the date and place were not yet decided, but the timing would be convenient if held at the end of this month or shortly before the London summit.

The G-7 countries are the United States, Britain, France, Germany, Italy, Canada, and Japan. They are also members of the annual summit meeting.

The finance minister had said G-7 finance ministers and central bankers should meet to coordinate their economic and monetary policies before a summit meeting of leaders from seven democratic powers and representatives of the European Community.

But Germany, worried about a rekindling of inflation, earlier opposed the G-7 meeting in fear of renewed pressure for a cut in its key interest rate. The last meeting of G-7 top financial officials was in Washington in April before regular meetings of the International Monetary Fund (IMF) and the World Bank.

Kim Il-song 'Willingness' on Ties Welcomed

OW0206123091 Tokyo KYODO in English 1139 GMT 2 Jun 91

[Text] Tokyo, June 2 KYODO—A top Foreign Ministry official Sunday welcomed North Korean President Kim Il-song's willingness to promote diplomatic normalization talks between Tokyo and Pyongyang.

"Although there is no change of basic principles (on the North Korean side) for talks aimed at normalizing diplomatic relations, I found willingness and highly appreciate this," the official said.

The official, who spoke on condition of anonymity, was referring to Kim's remarks in an interview with KYODO NEWS SERIVCE.

The North Korean leader said he is convinced the normalization talks will advance in accordance with a three-party agreement even if there are difficulties in the way of setting up full diplomatic relations.

As for international inspection of North Korean nuclear facilities, the official said Japan will continue to ask North Korea to open its nuclear facilities to inspection by the International Atomic Energy Agency.

"I hope (North Korea) will understand the rules (of the international community), if it wants to establish friendly relations in the future," the official said.

The official said Japan will not shelve the issue before normalizing relations.

The North Korean president welcomed former Japanese Deputy Prime Minister Shin Kanemaru's plan to visit the United States to mediate between Washington and Pyongyang, saying "it would be very good for Kanemaru to visit the U.S. and act as a bridge in improving relations between the two nations."

The Foreign Ministry official, however, said, "diplomatic negotiations should be done through the government's diplomatic channel and former Deputy Prime Minister Shin Kanemaru understands this."

Resumption of U.S. Chip Talks Announced

OW0306104091 Tokyo KYODO in English 0906 GMT 3 Jun 91

[Text] Tokyo, June 3 KYODO—Japan and the United States will resume stalled negotiations on semiconductor trade in Washington on Monday, a senior government official said on Monday.

Yukiharu Kodama, vice minister of international trade and industry, told reporters he remains pessimistic about prospects of a successful conclusion to the negotiations.

He said the talks will be held on Monday and Tuesday between Naomichi Suzuki, vice minister for international affairs, and Linn Williams, deputy U.S. trade representative.

"Suzuki was not dispatched to Washington because both sides moved closer to agreement," Kodama told reporters.

The negotiations aimed at concluding a new agreement on semiconductor trade between the two countries bogged down last month mainly over U.S. allegations that Japanese electronics firms are dumping semiconductors in third countries.

The proposed pact will succeed the present one due to expire at the end of July.

Referring to dumping charges against Japanese automakers, Kodama said Japan expects U.S. authorities to conduct an investigation in a fair manner.

The "big three" automakers asked U.S. authorities to investigate their allegations that Japanese car manufacturers are selling minivans on the U.S. market at prices far below fair value.

Defense, U.S. Officials Agree on DPRK

OW0106004291 Tokyo KYODO in English 2343 GMT 31 May 91

[Text] Washington, May 31 (KYODO)—Japanese and U.S. defense officials are predicting a smoother transition of power in North Korea when Kim Il-song leaves office than widely anticipated, a senior Japanese official said Friday.

The official also said after two days of talks between officials of the Japanese Defense Agency and the U.S. Defense Department that the Pentagon is right in its assessment of growing Soviet military influence in an increasingly unstable Soviet Union.

The Japanese and U.S. defense officials also talked about the second phase of the Pentagon's strategic framework for the Asia- Pacific Rim and China's arms exports to the Middle East.

Shigeru Hatakeyama, director general of the Defense Policy Bureau, led the Japanese delegation at the talks. Carl Ford, principlal assistant secretary of defense for international security affairs, was the chief U.S. delegate at the two-day meeting.

Alaskan Unitary Tax Abolition Welcomed

OW3105101791 Tokyo KYODO in English 0954 GMT 31 May 91

[Text] Tokyo, May 31 KYODO—The Federation of Economic Organizations on Friday welcomed the abolition of the controversial unitary taxation system in Alaska, the last U.S. state to remove it.

The federation, known as Keidanren, said Alaska's decision is welcome as it is a consequence of persistent efforts by the Japanese business community.

Alaska Governor Walter Hickel Thursday signed a bill to abolish the tax system that has been passed by both Houses of the State Legislature.

Alaska was the last of 13 U.S. states to remove the controversial system.

Under the formula, corporations operating in a state are required to report earnings both of their parent and affiliated firms for taxation.

Akio Morita, vice chairman of the federation and chairman of Sony Corp., told reporters it was a long fight and the Japanese business community is pleased with Alaska's decision.

New Stage in Economic Relations With U.S.

912A0236A Tokyo ECONOMY SOCIETY POLICY in Japanese Apr 91 pp 4-12

[Roundtable discussion with Tokyo University law faculty professor, Takeshi Igurashi; ATT-Japan, Glen Fukushima; Sumitomo Life Research Institute, Kunio Miyamoto; EPA Coordination Bureau, Makoto Nomura]

[Text] Changes in the International Situation and U.S.-Japanese Relations

Nomura: In this roundtable discussion I would like for us to look at the theme of "welcoming a new stage in U.S.-Japanese economic relations."

The important points in considering the U.S.-Japanese relationship are such issues as end of the Cold War, tense conditions in the Persian Gulf, or EC integration in 1992, which are factors that are greatly changing the international structure. Conversely speaking, the situation is such that discussion of merely the U.S.-Japanese relationship alone is becoming meaningless.

Thus, first of all, I would like to ask your opinions about what you think about the changes in the international situation and in what sense a new stage in the U.S.-Japanese relationship has been ushered in.

Igurashi: Since the outbreak of the Persian Gulf crisis in August of last year, it was becoming exceedingly clear what the United States wished from Japan. However, that wish widely exceeded the expectations of the Japanese people, and the reaction of the Japanese Government could hardly be called sufficient. Even with respect to the problem of the dispatch of Self-Defense Forces (SDF) and the $9 billion compensation for war expenses, the government's handling was rough and ready, which invited significant backlash among the people.

In a word, the United States is trying to create a post-Cold War international order and Japan has not made sufficient preparations for a system for aiding that transition. It is considered that this will become an extremely important problem for the future of U.S.-Japanese relations as a whole.

On that point, the most important thing is what course the situation in the Persian Gulf takes. The longer this situation drags on, the greater is the likelihood that it will form a source for future trouble, and problems will arise that the United States and Japan will have to adjust in tandem. In the future, rather than the type of adjustments of economic structure such as was the aim of the SII (U.S.-Japanese Structural Impediments Initiative) talks, I think structural adjustments in a political sense will also be of great significance.

Nomura: Without doubt, no matter what shape the conclusion of the Gulf war takes, the relationship between Japan and the United States is approaching a sizeable transitional period. The U.S. side's strategy with respect to Japan will also change a good deal compared to what has been the case heretofore. I would be interested to know what Mr. Fukushima thinks in that regard.

Fukushima: I also agree with the view that the U.S.-Japanese relationship is approaching a period of transition.

Several changes have already become apparent on the economic side. From the year 1975 to 1990, there has been a shift from negotiations on each sector base concerning market liberalization, to negotiations concerning comprehensive problems in the form of the Uruguay Round or the Super 301 and SII, etc. And the current situation is one in which both countries have reached an impasse.

However, it is probable that these relations between both countries will undergo further change. The United States does not consider Japan's reaction up until now to have been sufficient, and as the Gulf war progresses, Japan will not necessarily be perceived as an ally as much as a competitor to the bitter end. Furthermore, Japan's argument about its distinctiveness, which had been limited until now to economics, is gradually being voiced on the political and military fronts as well.

However, these critical views of Japan also possess significance substantially as criticism of the American Government's inadequate handling of the problems between the United States and Japan. Even domestically within the United States the point of focus will probably shift from debate on what Japan should do to how the U.S. Government should cope with Japan's actions.

Disturbances Already Beginning To Be Felt

Miyamoto: I am basically in agreement with both of your views about movements of new elements in the U.S.-Japanese relationship not only in economics but in politics as well.

And even several years before the outbreak of the Gulf war, there were already disturbing elements in existence that would bring about long-term changes in the U.S.-Japanese relationship.

The first is the relative decline in American economic capacity in the midst of an increase in Japan's economic power. This is directly manifested in technological power and financial power.

Speaking in the realm of technology, there is something remarkable in Japan's catch up in the area of high technology. Even in the current Persian Gulf crisis, it is said that semiconductor packages that utilize Japanese ceramic technology, such as that of Kyocera Corporation, etc., played an important role in the technology which drives the "smart weapons," such as the Patriot and the Tomahawk, etc.

In finance, there has been a change in which the United States has dropped down into the position of a debtor nation and Japan has become the world's largest creditor nation. Not only is Japan financing the deficit, its presence in the United States in terms of direct investment has expanded.

These changes on the economic front have become of such weight as to seriously shake America's national security.

The second element is the decline in Soviet military capability. Currently in the Soviet Union there is a "reverse course" type movement and the future course is unclear, but the fact cannot be denied that the Soviet rank as a superpower confronting the United States has given way. Sympathizing that this is the first element, it is thought that this will make the economic contentiousness of the U.S.-Japanese relationship all the more stark.

In the midst of these conditions, the U.S.-Japanese relationship is changing from a bilateral relationship to a global one, and I believe that the economic relationship itself will increase the aspect of the national security problem.

Even so, the economic relationship will become the foundation of the U.S.-Japanese relationship after all. The U.S.-Japanese relationship from the start had been one of ambivalence, possessing intrinsic mutual dependence and friction.

Both nations possess common values of Western democratic nations such as market economy and democracy. However, they possess contrasting economic structures with Japan over-saving and the U.S. over-investing, so while these traits are complementary, there is also significant opportunity for friction to develop. Consequently, the postwar history of the U.S.-Japanese relationship was also the history of "evolution." From the stage of problems in each sector, there was a shift to a stage of structural problems, such as SII, and moreover, shifts to include problems of national security. So even in that sense, it could be said that the U.S.-Japanese relationship is welcoming a new stage.

Three Views in Evaluating SII

Nomura: On the point of the perception that there must be an examination of the U.S.-Japanese relationship with a wider scope than had been done hitherto, I believe that all three of your opinions are fundamentally in accord.

While setting aside for the moment those greater circumstances that surround the U.S.-Japanese relationship, I would like to first of all focus the argument on the economic relationship, especially as it relates to the SII issue.

Concerning SII, having been a party to almost all meetings in that regard myself, I would like to first give a general evaluation as one of the persons involved after which I would like to hear each of your opinions.

Evaluation of the SII would probably involve assessment from at least three viewpoints.

The first is from an economic view. In other words, this point would concern just what degree of contribution was made to the official aim of SII of "correcting imbalances in trade and the international balance of payments."

This economic viewpoint, furthermore, is divided in two areas of micro and macro, or structural aspects. Although the question of Japan's public investment and the U.S. budget deficit are extremely important to the official purpose of rectification of imbalances in international payments, I feel that the discussions conducted were not sufficiently thorough. Also, speaking in terms of structural problems, the various measures determined in SII are not too promising in short-term effects and in the long term, the general view is that they will only serve to further augment Japan's competitiveness.

The second point is assessment from a political viewpoint. That is to say, how the aims of both countries that were hidden behind the official purpose were manifested. The restraint of U.S. domestic protectionist pressures was a common task of the governments of both nations and the avoidance of a collapse in the U.S.-Japanese relationship was an important aim for the Japanese Government.

And the last is the international relations viewpoint. As a by-product that exceeded the intentions of both Japanese parties involved is the point of whether this SII presented a new model as a method of solving disputes between the two countries. Also, although there was some criticism about outside pressure and intervention in internal affairs, etc., there was also the view that these negotiations were one step in the direction of a more mature U.S.-Japanese relationship.

For my own part, this round of SII talks, regardless of the economic aspect, had a certain political effect as well, and meanwhile, I think that time is necessary to give an assessment from the international relations viewpoint.

Thus, first of all, let me have your opinions from the standpoint of an economic evaluation.

Miyamoto: The SII talks have only just ended and there is a limit to arguing about imbalance based on a bilateral relationship. However, it is a fact that Japan's surplus with respect to the United States has decreased substantially (by statistics on the Japanese side there has been a decrease from $44.9 billion in 1989 to $38 billion in 1990). This is probably due more to the revaluation of the yen after the Plaza Accord and Japan's policy of domestic expansion than it is to the effects of SII.

In that sense, macro-policy is more important in the correction of imbalances, and on that point the "public investment base plan" can be assessed. However, when considering the nature of macro-policy, the necessity of a simultaneous discussion of the problems of coping with a shortage in world savings becomes greater.

In order to correct the international balance of payments without worsening the world savings shortage, there is a necessity to improve the over-investment aspect of deficit nations rather than expanding domestic demand of surplus nations. Speaking in terms of the U.S.-Japanese relationship, this would mean that a more thorough-going reduction in America's budget deficit would be in order.

In November of last year there was an agreement between the President and Congress on a measure to reduce the budget deficit by approximately $500 billion over five years, and not too long ago the fiscal 1992 budget was announced. However, the deficit reduction was insufficient. Fiscal 1992 federal expenditures with respect to GNP is expected to be 25.1 percent, which is a postwar high, and it is doubtful whether this could be called restraint in expenditures. Also, even when one looks at the five-year deficit reduction plan, the important reductions are to be made after 1994, so 1992 and 1993 will be lenient.

Furthermore, the strengthening of an energy tax which is thought to be an extremely effective deficit reduction strategy has ended in an inadequate fashion. The gasoline tax was raised beginning 1 January of this year from nine cents to 14 cents per gallon, and from each one cent increase in the gasoline tax one can expect a $1 billion increase in revenue, so it seems that there was room for a greater increase, considering how inexpensive U.S. gasoline is.

If Japan is going to be requested to make additional public investment of 430 trillion yen, I believe that it was necessary for the U.S. side to present a bit more drastic budget deficit reduction plan after all.

Is SII Overwhelmingly to the Advantage of Japan?

Nomura: Just now we heard quite a bit of "U.S. bashing" from Mr. Miyamoto (laughter), and one is forced to admit that the U.S. deficit reductions are a far cry from the SII final report when one considers the budget deficit reduction objectives.

Mr. Fukushima has already left his post at the USTR [U.S. Trade Representative], and since he was not even in charge of the financial problems, I feel a bit apologetic in asking him to defend the U.S. side with regard to this problem. However, could you explain your thoughts about the relationship between SII and the U.S. budget difficulties or how much commitment there is about SII in the power relationship between the Congress and the government?

Fukushima: I was at the USTR until 1989 and participated during the period of the foundation of SII. The official purpose of SII was rectification of imbalances but the economic aspect is not the only important part.

SII also had a political aspect of impeding protective legislation by the administration, making it known to the Congress that efforts were being made to solve the problem by faithful application of the 1988 trade bill. Also, it had an economic ideological side of the administration curbing ideas of supervised trade espoused by the Congress, scholars, and the industrial world within the United States.

The U.S. Government is advancing SII for these kinds of political or economic doctrinal reasons rather than for economic reasons, and in order to satisfy the Congress, there was a need to request Japan's unilateral response. That is to say, "The one who should change is Japan, and not the United States."

If the demands of the Japanese side were to be put into practice as a public commitment, the United States should have also have been placed under an economic obligation. However, the U.S. administration, to the last, explained SII to the Congress and the public as a means of solving economic problems by changing Japan. In effect, SII has the potential of bringing one-sided economic benefit to the Japanese side. Making distribution more efficient, reform of the real estate system, correction of internal and external price differentials, etc., all will serve to increase the efficiency of the Japanese economy as a whole and to increase its competitiveness.

However, SII will also probably provide an opportunity to reform the approach that the U.S. has taken up until now of demanding Japan's unilateral response. The view that this kind of approach has limitations is in the process of becoming dominant because the focus of discussion is shifting to the question of what the United States must do to solve the problem. This could be thought of as positive effects brought by SII.

However, as mentioned above, the U.S. administration has explained SII as a means of rousing the Japanese side, so it is also a fact that the Congress is pinning excessive hopes on SII. This makes for a dangerous situation after all, and represents a negative aspect of SII.

If I may add one other point, it could be said that the increase in Japanese anti-U.S. criticism is also a dangerous situation, with voices being raised about the U.S. demands from Japan in SII constituting an interference in Japanese domestic affairs and that even though Japan is trying so hard the United States is doing nothing, etc.

National Dignity Questioned

Igurashi: I think there are problems after all in limiting discussion of SII to the economic side.

The most important issue in SII is, by way of U.S. demands with respect to Japan, the fact that the attention of the people was inevitably turned to various questions that the Japanese Government was unable to solve. The real estate issue is also a case in point, and the viewpoint of consumer benefit cannot be said to have been something that had received serious consideration heretofore.

The United States drafted a reform proposal that extended over 240 items, and there were many things in it that I think were justifiable. SII questions Japan's dignity as a state on the point of not being able to sufficiently deal with those sorts of problems in the past, and it also appears to be asking for a conceptual change.

Furthermore, as Mr. Fukushima pointed out about the United States, there is the problem of how Japan deals with SII on a philosophical level. It is not just a question of how Japan copes with U.S. demands, there is a necessity to regrasp the problem based on the viewpoint of what kind of role Japan should play in the context of the international economy, for example.

Even 430 trillion yen in public investment, although it seems to be trying to use money in the future on the same scale as GNP, presents a problem because the basic policy is still not sufficient as a means of coping with the problem.

Miyamoto: It could be said of the political aspect of SII that the scale itself was decided before the content was put in order.

Miyamoto: I also think that the SII should not be taken negatively as outside pressure or interference in internal affairs.

Democracy is a common value among Western nations, the same as the market economics, but under this system of democracy the ones with partial benefit end up having more power to make political statements than the ones with a total benefit.

This may be particularly remarkable in the case of a society like Japan's which is a bottom-up type society with no political leadership. But to a certain extent this tendency can be seen even in the United States. In that context, in order to increase the profit of the whole, it is probably necessary to think of coping domestically from the higher viewpoint of international cooperation. SII has importance in that sense, and the same sort of movements can be seen in the EC nations that aim to unify in 1992 and the U.S.-Canadian free trade agreement. In the case of international cooperation of this nature, limitations of national sovereignty to a certain extent cannot be helped, I believe.

Nomura: Only, as Mr. Fukushima pointed out, there was discussion that the one to move in the United States would be Japan. And, also as Mr. Igurashi has said, there was an added problem of Japan lacking the independence to solve problems of its own accord as well.

Probably this point becomes more and more important when considering the U.S.-Japanese relationship in the context of a wider line of thought that includes not only economics but national security as well. Therefore, I would like to shift the discussion to future development of the U.S.-Japanese relationship.

In that case, there are several viewpoints. For example, first, there is the problem of national security as a nation, including technology and finance, etc., and the point of how to adjust the U.S.-Japanese economic relationship principled upon free trade. The second, as symbolized by the Gulf war, is the problem of how to share the burden for the purpose of maintaining global order. And third is the view that the U.S. budget deficit will become the next point of focus of U.S.-Japanese friction. This is what the chief editor of the U.S. NATIONAL JOURNAL, Mr. Bruce (Stoke) is saying, and just the fact of awareness of the problem on the U.S. side itself probably deserves attention.

I would like to have you give us your outlook on the future of the U.S.-Japanese relationship, including a discussion of what is the fundamental cause of U.S.-Japanese friction.

The Changing Tone of America's Argument With Respect to Japan

Fukushima: The fact of SII having rather advantageous results for Japan is contrary to the U.S. expectations with respect to SII. When the extent of that falling short of expectations is large, fundamental questions within the United States will probably occur concerning whether such a thing as common benefits for both the United States and Japan really exist after all. Previously, Mr. Miyamoto said that common values, such as democracy and free market, etc., exist among advanced Western nations, but I believe that substance will be made more and more of an issue. In fact, as shown by Princeton University Professor A. Blinder in his paper titled "There Are Capitalists, Then There Are the Japanese," and even among America's mainstream economists, the tendency to point out the distinctness of Japanese capitalism is on the rise.

The increase of the extent of dependence upon Japan in high technology area also brings the reexamination with respect to the common interests of both nations in the area of national security. The fact that the book written jointly by Mr. S. Ishihara and Mr. A. Morita has been read so widely is also due to the existence of doubts that the high level of high-tech dependence upon Japan, rather than being the result of free competition, is the product of a "conspiracy" of Japanese corporations and the Japanese Government.

Speaking in terms of financial difficulties, current argument inside the United States is being conducted regarding the role of government and about the nature of industrial policy and strategic trade policy, etc., which, in itself, could be considered a relevant direction. However, during that time Japan was treated as an example to which reference should be made for good and bad. And although it is a purely domestic issue, depending on reporting posture of the mass media, the danger exists that this could be distorted as Japan bashing and reported as such in Japan. A similar sort of problem happened on the occasion of U.S.-Japanese joint development of the FSX [fighter support experimental].

Igurashi: Regardless of whether it is called Japan bashing or not, I think that the nature of criticism of Japan in the U.S. Congress has taken a rather bad turn. It is a recent trend that the conspiratorial type of view concerning the high technology aspect that Mr. Fukushima pointed out is manifesting itself in bits and pieces in the tone of U.S. arguments with respect to Japan. In other words, I believe that it is somewhat different from the stage of solving the problem by ethical argument.

One other problem that should be considered is that when the cost shouldered by the U.S. economy due to the Gulf war gets large, the possibility exists that a situation in which it becomes difficult to assume international leadership could arise.

There is absolutely no system in Japan of crisis management for coping with such a situation should it arise. For example, if all the other nations besides Japan were to cease cooperation in compensation for U.S. war expenses, and the United States were to ask Japan to double the amount of aid, how would the Japanese Government deal with that?

Viewed in the long term as well, U.S. hegemony is gradually on the decline, and it is necessary to consider how to respond while bearing in mind that this sort of situation could arise in the U.S.-Japanese relationship.

Nomura: What would be an important question in that case is the point that the United States is traditionally a unilateralist nation of "preeminence" or "isolation," and is not necessarily accustomed to a cooperative system with Japan or Europe.

According to Professor J. Nye of Harvard University, in the post-Cold War period, "soft power" will become necessary. This could also be called an charisma that one's partner would gladly follow. The American way of life may be one such example, but that has become rather shaky on the economic aspect. Thereupon, when that aspect of leadership (i.e., charisma) is anticipated from Japan as a substitute, Japan is incapable of exhibiting it.

There Are Two Types of Revisionists

Miyamoto: Earlier Mr. Fukushima pointed out that the view was becoming widespread in the United States that although both Japan and the have the qualities of being democratic and are market economies, etc., the countries differ in substance.

I think that even assuming for the moment that those differences do exist, they are merely marginal and that basically they are of the same quality. Having said that, it is extremely unfortunate that there exists a deep-rooted awareness among policymakers of a Japanese distinctness and this is something that should be rectified between the two nations at all costs.

Only, if one wonders why this argument of Japanese distinctness remains, it is because of the fact of the U.S.-Japanese trade imbalance (with Japanese exports to the United States being 1.7 times that of the United States to Japan) and the dyssymmetry of direct investment (with Japan's balance of direct investment in the United States being 3.6 times the balance of U.S. direct investment in Japan). It is also because of the lingering awareness of the period when that imbalance was even larger.

What is desired of both nations' governments is, accompanying the objective analysis of the reasons for these imbalances, would be the advancement of policy efforts on both the macro and micro levels. To that end, rather than getting caught up in the small differences in values of the United States and Japan, I believe that it will be essential to become mutually aware of the parts in common and to expand on those areas.

Nomura: The fact that America regards Japan in the form of the Japanese distinctness argument itself may be a manifestation of America's unilateralism.

But the view that there are various models in existence of democracies and free market economies is also valid. What kind of view is it to say that there is only the U.S. model and all the others that do not suit it are distinct. It may be that the United States is impatient because right now the Japanese type model is somewhat more vigorous, but I think it would be good for the U.S. side to be just a little more broad-minded, don't you? (laughter).

Fukushima: The revisionists in the United States are the ones who point to the distinctness of Japan in order to assert that the one who should make fundamental changes is not Japan but the United States. They recognize the existence of many models and not just the American model, and they also recognize the possibility of one model under a certain set of conditions becoming more efficient than the others. For them, the Japanese argument about distinctness becomes a method for reform of the United States, as it were.

While the above sorts of revisionists exist, on the one hand, there are also people who, like a certain segment of the U.S. administration, think that problems between the United States and Japan can only be solved by Japan changing.

Unfortunately, in Japan, revisionists are all thought to be Japan bashers. But they are rather mostly attacking the policies of the United States.

How To Get the Message Across

Nomura: On the U.S. side, there are also those who say Japan should speak its mind more, but if Japan were to speak its mind not only in the economic area but also on international relations, would the United States listen?

Fukushima: That would depend, in the end, on how those sentiments were expressed.

Until now, it could be said that Japan has effectively used outside pressure, but the United States has tread its own line and has not listened that much to the opinion of other nations. To the extent it advances international cooperation, outside pressure will be necessary for the United States as well. However, for example, if Japan were to make excessively bold demands from the United States, Japan would only be thought of as an arrogant country, thus having an opposite effect.

In other words, the form in which the demands are made, and the method of their expression is vital.

Nomura: That, in effect, brings us back to the problem of to what extent Japan is able to indicate its ideas as a nation, does it not?

Igurashi: If you ask me whether the United States and Japan are similar or different, I would say that they are different. While they have similar systems economically and politically, on an individual level, their values are absolutely different. In the case of the American people, carrying out activities on an individual level is basic, and that is how society is formed, which, compared to Japan, is not necessarily all good.

In particular, conditions in the lower levels of U.S. society are so bad as to be unthinkable in Japan, and the drug problem is also serious. This of all things could be considered the heart of the problem with American society. With the U.S. value system, that is something that can be neglected, but if it were Japan, that would most probably not be the case.

Why are Japanese unable to turn toward the United States and say that? One reason is that Japan always has a double standard. Even if it thinks it would like to say something commendable, it is unable to do so because it has a fear of being criticized about what it is doing in some other area.

Another reason is that Japanese culture is not a "speaking" culture. It does not have the custom of expressing its opinion by speaking.

Fukushima: So it is distinct after all? (Laughter).

Igurashi: Americans think that everyone is the same as themselves, but Japanese are not good at promoting themselves the way that Americans are.

Also, the way of getting messages across differs. Merely speaking calmly because you are afraid of being called arrogant is not the way of getting your point across. Saying things in an open manner, and moreover, things of substance so that the other person is unable to do anything but recognize their validity is one method.

For example, if we say that Japan will contribute so much for slum redevelopment projects, that could be called the way of getting one's message across that any American would admire.

Nomura: The content of the message is also important, I believe. For example, until now the one message that Japan has argued for was "pacifism," but that as a concept has somehow really seemed not very strongly founded. If the substance is at least sturdy, I think that the point will be made by itself without elaborate rhetoric.

Igurashi: In the case of the Gulf war, opposing opinions in Japan with respect to the war were fairly strong. This is one manifestation of "pacifism," but it is not appreciated abroad. They think that it is just an excuse not to do anything.

Germany was also criticized by Britain as being the "disgrace of Europe." On that point it is in the same boat as Japan, but fairly early on Germany made proposals to create a fund to reconstruct the Gulf. This was a great message, and it would be good if Japan also were to propose contributions based on its own policy.

U.S. and Japan's Complementary Relationship

Nomura: Finally, at the present time when the U.S.-Japanese relationship is at a great transitional period, I would like to hear your opinions on the point of how the and Japan should cope with the situation.

Miyamoto: First of all, with respect to how the U.S. should cope, it is thought that there are three points.

The first is the reactivation of the U.S. economic power. If the relative position of the U.S. economy continues to decline at this rate, no matter how hard it tries to advance international cooperation, things will not go well. I would like to see steady progress in the solution of economic problems centered on the budget deficit, and furthermore, in the solution of other problems besides economic ones, such as education and drugs, etc.

Secondly, I would like to see resistance at all costs against taking refuge in protectionism and unilateralism.

And third, in order to maintain world order, it is necessary to learn the way of making joint decisions and reform the attitude of deciding everything by oneself as has been the case up to now.

Meanwhile, as for Japan's way of coping, it will be important for us to carry out public pledges that have been made to the United States and the world, starting with SII.

In order to do that, first of all, it is necessary to continue efforts at opening markets in the areas of trade and investment and others. Secondly, Japan should constructively carry its share of responsibility for global security and prosperity.

Also, what is required of both the United States and Japan is not to lock themselves up in a bipolar framework but to use that as a backbone to developing a multipolar framework.

Fukushima: I am in complete accord with the three points raised by Mr. Miyamoto about the three methods of coping that the United States should take. However, there are many individual areas in which Japan could assist the United States.

Currently, however, I regret to say there is not the kind of leadership in the governments of either nation that would aim at solving problems through cooperation, and also on the level of the masses, it cannot be said that mutual understanding is progressing which is partially due to the influence of the reporting of the mass media.

Thus, what is important after all is joint efforts of the type, for example, of bureaucrats of both nations creating a long-term view of the U.S.-Japanese relationship. In contrast to Japan, U.S. bureaucrats do not do the same job over a long period of time. However, at least in the four-year period of the president's term in office, I think it would be possible to aim for favorable outcomes in the political and economic areas through cooperation between the governments of both nations.

Igurashi: Carrying our share of global responsibility is, of course, an important thing, but the question is whether the Japanese Government is able to do that or not. It is almost devoid of the necessary information for the conduct of situation analysis of international politics for national security as well as the capacity to conduct that analysis. I think that in that sense the time has arrived for us to carry out immediate infrastructural improvements.

Fukushima: When it becomes necessary to deal with international problems, Japan has the necessary infrastructure in the economic area but is not equipped with sufficient infrastructure in the political field. Conversely it has reached the point that the United States has sufficient infrastructure in political areas but not in economic areas.

It is exactly in that sense that the two countries have a complementary relationship and it would be desirable for both nations to cooperate.

Nomura: Thank you for your time today, gentlemen.

Construction Agreement Reached With U.S.

OW0106033991 Tokyo KYODO in English 0308 GMT 1 Jun 91

[Text] Tokyo, June 1 (KYODO)—Japan and the United States reached an agreement Saturday to provide U.S. construction companies greater access to the Japanese market, government officials said.

Japan offered to add another 17 projects to the list of public works projects which Tokyo designated for U.S. newcomers to the Japanese construction market to learn how to do business in Japan, the officials said.

Washington accepted the Japanese concessional offer though it fell short of an earlier reported U.S. demand that at least about 25 additional projects should be designated as such special cases, they said.

The accord came at the eleventh hour just before the May 31 deadline that U.S. Trade Representative Carla Hills had set for imposing retaliatory sanctions banning Japanese constructors from state-funded projects in the United States.

The agreement is expected to lead Hills to forego the sanctions.

The pact was a product of one-year talks reviewing the bilateral construction agreement in 1988, in which Japan pledged to improve foreign access to the Japanese market and crack down on collusive business practices such as bid rigging.

The review negotiations, which started in May last year, have already produced agreements on several new steps that Japan should take to open up the Japanese market for U.S. firms.

The promised measures include the establishment of an independent organization to handle foreign complaints about barriers to launching business in Japan and a new bidding system which incorporates both material procurements and consulting services.

Further on Construction Talks

OW0106062691 Tokyo KYODO in English 0531 GMT 1 Jun 91

[Text] Tokyo, June 1 (KYODO)—Japanese and U.S. trade officials clinched an agreement Saturday to open more Japanese public works projects to U.S. construction companies to help them establish a presence in the Japanese construction market, government officials said.

The accord came after Japan sweetened its offer, and proposed to add another 17 projects to the list of government-funded construction works designated for U.S. newcomers to the Japanese market to learn business practices in Japan, the officials said.

The new projects include an airport in Chitose, Hokkaido, a second national theater, Kyoto Station, high-rise public condominiums in Makuhari, Chiba Prefecture, a new government building in Osaka, and national research institutes. The total construction costs of the 17 new projects are estimated to top 1 trillion yen.

Japan also promised to add another six projects, including an international airport near Nagoya, to the list when official plans are made.

The pact came after one year of bilateral talks to review the 1988 construction agreement, in which Japan pledged to improve foreign access to the Japanese market and crack down on exclusionary business practices as bid rigging.

The accord came at the eleventh hour before the May 31 deadline for U.S. Trade Representative Carla Hills to hear opinions from the private sector on possible sanctions against Japanese construction companies.

Hills had threatened to impose a ban on Japanese constructors' participation in bids for state-funded projects in the United States unless agreement was reached by the deadline.

The new construction pact is a product of nine rounds of bilateral talks reviewing the 1988 agreement aimed at making the Japanese market more open to foreign companies.

During the last eight rounds of talks, Japan agreed to establish an independent organization to handle complaints of foreign companies about market access, and a new bidding system that incorporates both material procurements and consulting services.

The two sides also agreed to hold another review in one year.

The latest round of negotiations started Thursday in Tokyo, intending to reach an agreement by Saturday.

Toyota Denies U.S.' Minivan Dumping Charge

OW0106004391 Tokyo KYODO in English 2309 GMT 31 May 91

[Text] Washington, May 31 (KYODO)—U.S. big three automakers Friday filed an antidumping petition against Japanese carmakers, claiming they were dumping minivans in the United States.

The Motor Vehicle Manufacturers Association of the U.S. (MVMA) said, "minivan dumping by Japanese producers is causing injury to the U.S. industry, consumers, and workers."

"Dumping of automotive products in the U.S. is particularly objectionable when it emanates from a country whose internal automotive market continues to be severely restricted to U.S. and all other foreign producers," said MVMA President Thomas Hanna on behalf of General Motors Corp., Ford Motor Co., and Chrysler Corp.

The Commerce Department said it will decide by June 20 whether an investigation into the big three allegation is warranted.

The Japanese companies involved are Mazda Motor Corp., Mitsubishi Motors Corp., Nissan Motor Co., and Toyota Motor Corp.

"The petitioners estimate that imports of minivans from Japan have been sold at prices ranging from 5.4 percent to 30.5 percent below fair value," a department official said.

Toyota Motor denies the allegation of dumping. "It came as a surprise to us," a Toyota spokesman said.

MVMA said Japanese minivan exports to the U.S. rose to 95,400 in 1990 from 38,900 in 1988 as the Japanese share in the U.S. market soared to more than 12 percent from 4 percent.

The Commerce Department said minivan imports from Japan were worth about 1.3 billion dollars last year.

If the department proceeds with an investigation, the International Trade Commission will make an initial determination on the case by July 15.

If the commission makes a preliminary finding of injury, the department will make its preliminary determination by November 7.

The antidumping petition came as the U.S. auto industry is experiencing a sharp drop in sales. Their combined losses in the first quarter of this year came to about 2.5 billion dollars.

MVMA's Hanna said, "what is at stake is the maintenance of a minimum standard of open trade and the determination of this industry and this country to act, when necessary, against practices which violate U.S. trade laws and affect the lives of thousands of workers throughout the country."

Further on Denial

OW0106062791 Tokyo KYODO in English 0555 GMT 1 Jun 91

[Text] Tokyo, June 1 (KYODO)—Toyota Motor Corp. and Mazda Motor Corp. denied on Saturday allegations by the big three U.S. automakers that Japanese minivans are sold far below fair value in the American market.

"It's an unbelievable move," said an official at Mazda. An official at Toyota said, "a thorough investigation will reveal that there is absolutely nothing to support their petition."

Both automakers said they did not know the details of the antidumping petition and therefore could not grasp the intention of their U.S. counterparts.

General Motors Corp., Ford Motor Co., and Chrysler Corp. claimed Friday through the Motor Vehicle Manufacturers Association of the U.S. (MVMA) that "minivan dumping by Japanese producers is causing injury to the U.S. industry, consumers and workers."

They estimated that minivans imported from Japan "have been sold at prices ranging from 5.4 percent to 30.5 percent below fair value," according to an official at the U.S. Commerce Department.

The Commerce Department is to decide by June 20 whether to conduct an investigation into the alleged dumping by Japanese auto companies, Toyota Motor Corp., Mazda Motor Corp., Mitsubishi Motors Corp., and Nissan Motor Co.

Comments by the other two Japanese automakers are not available.

An industry source in Japan said the antidumping petition was "an apparent move to increase the pressures on the Japanese industry at a time when the U.S. market is in bad shape."

He said that discontent has been rising among the U.S. automakers since Toyota and Mazda began taking a share of the minivan market.

Toyota sold approximately 42,000 "Previa" vehicles in the United States from March to December last year, while Mazda has enjoyed sales of 50,200 vehicles a year in that country with its popular "MPV."

The Mazda official said that the MPVs sold in Japan had parts that were not attached to those sold in the United States, such as air conditioners, high-quality stereos, and aluminum wheels.

"The price difference is just. We are not dumping," he said.

Whether or not the dumping allegations turn out to be true, the move will make the Japanese auto industry more cautious in exporting to the United States, industry sources said.

Decision on Rice Issue Expected 'Soon'

OW0106071391 Tokyo KYODO in English 0542 GMT 1 Jun 91

[Text] Tokyo, June 1 KYODO—Japan is likely to decide soon on a partial liberalization of rice imports, government sources said Saturday.

The sources in the Foreign Ministry said there is a strong possibility the decision will be made before the London summit of seven major Western democracies in mid-July.

Japan, however, will reject a U.S. demand for a surcharge on imported rice because it would lead to the total liberalization of the rice market, the sources said.

The sources said Japan's decision means it will accept a minimum access formula allowing it to set an annual ceiling on rice imports to avoid damage to the domestic industry.

They said an official announcement on the decision will be made soon after progress is made in multilateral negotiations on farm trade, being resumed in mid-June, and the government's administrative reform council drafts a proposal for rice imports late in the month.

Discussions on farm trade under the Uruguay Round of multilateral trade talks have been deadlocked because of a dispute between the United States on one hand and Japan and the European Community on the other.

The sources said Japan hopes its initiative will strengthen its position in resumed negotiations on farm trade.

They said the government will expedite negotiations with the ruling Liberal Democratic Party on the issue because of strong opposition among party members backed by farmers.

USSR Deputy Foreign Minister's Interview

OW3105233291 Tokyo KYODO in English 2312 GMT 31 May 91

[Text] Tokyo, June 1 (KYODO)—Japan's push to delete the "enemy clause" in the U.N. Charter is premature, a top Soviet official has said.

"We consider that the time has not come for a change of the United Nations Charter," said Soviet Deputy Foreign Minister Vladimir Petrovskiy in an interview with KYODO NEWS SERVICE and the official Soviet news agency TASS on Friday.

Japan is trying to drum up world support for removing articles 53 and 107 of the charter, the U.N.'s founding document, which indirectly brand it and other vanquished countries of World War II as enemy states.

"It would be very dangerous to start changing the U.N. Charter because the world has entered a period of changes and these changes are very deep," Petrovskiy said.

The changes must be made in a stable manner, he said. "Stability could be provided only if the present global, regional structures will be left intact."

Petrovskiy, who is in Japan to attend an international conference on disarmament, discussed the charter with Japan's Foreign Ministry on Friday in talks on the role of the United Nations.

Petrovskiy said he told Japanese officials his country understands Japan's desire to see the so-called enemy clause removed from the document but that the method of doing so deserved careful consideration.

"We consider this a question that has lost its meaning," Petrovskiy said about the enemy clause.

Petrovskiy did say the problem at hand is how to remove the offending clauses "from the viewpoint of the legal arrangements, without changing the U.N. Charter."

He said the majority of U.N. member states, including the five permanent members of the Security Council, "are against a change of the U.N. Charter."

Foreign Ministry sources said Petrovskiy's views on the sanctity of the charter have been echoed by the other four permanent members of the Security Council, though the document has been amended several times in the past.

Although they agree the enemy clauses are obsolete, the permanent members hold that tampering with the charter would open a pandora's box of demands from countries who feel shortchanged and underrepresented in the world body.

Japan is not the only country that feels it has "enough ground to claim for (permanent) participation in the Security Council," Petrovskiy said.

Japan has indicated it deserves a permanent seat on the U.N. Security Council, considering it is the second largest contributor of funds to the organization.

Other countries such as Brazil have also put forward their candidacies, while a number of developing countries want the charter revised to expand the number of seats on the economic and social council.

Foreign Ministry sources said Washington has cautioned Japan against jeopardizing its chances for a permanent council seat by pressing for an amendment to delete the enemy clauses.

In light of such advice, a top ministry official said recently that Japan is considering as an initial step putting forward a resolution asking the General Assembly to declare the enemy clauses invalid.

More on Interview

OW0106054991 Tokyo KYODO in English 0516 GMT 1 Jun 91

[Text] Tokyo, June 1 (KYODO)—A revision of the United Nations Charter as called for by Japan and other countries would be premature and even dangerous under the present global circumstances, a top Soviet official has said.

"We consider that the time has not come for a change of the U.N. Charter," Soviet Deputy Foreign Minister Vladimir Petrovskiy said in an interview with KYODO NEWS SERVICE and the Soviet official news agency TASS.

Petrovskiy was referring to various countries' demands for a revision of the U.N. Charter to allow them greater representation on the U.N. Security Council and in other U.N. forums, as well as Japan's demands for deletion of the so-called "enemy clauses" in the charter.

"It would be very dangerous to start changing the U.N. Charter because the world has entered a period of changes, and these changes are very deep," Petrovskiy explained.

Changes in the world must transpire in a stable manner, Petrovskiy said. "Stability could be provided only if the present global, regional structures will be left intact."

Petrovskiy, who is in Japan to attend an international conference on disarmament, said he told Japanese Foreign Ministry officials on Friday that the enemy clauses "have lost their meaning."

Japan is trying to drum up worldwide support for removing Articles 53 and 107 of the U.N. Charter, which indirectly brand it and other vanquished countries of World War II as "enemy states."

Petrovskiy said he told Japanese officials that his country understands Japan's desire to see the clauses are dealt with, but that the method of doing so deserved close attention.

Petrovskiy said the issue must be tackled "from the viewpoint of legal arrangements ... without changing the U.N. Charter."

A top Foreign Ministry official said recently that Japan is pondering the possibility of putting forward a resolution in the U.N. General Assembly to declare the offending clauses invalid.

Ministry sources said that such a resolution would at least temporarily make a charter amendment unnecessary.

Petrovskiy said the majority of U.N. member states, including the five permanent members of the Security Council, "are against a change in the U.N. Charter."

Sources said the Soviet official's views on the sanctity of the document have been echoed by the other four permanent council members, even though it has been amended several times in the past.

While agreeing that the enemy clauses are obsolete, the permanent members hold that further tampering with the charter would open a Pandora's box of demands from countries who feel shortchanged or underrepresented in the U.N.

Japan has also indicated it deserves a permanent seat on the Security Council, considering that it is the second largest contributor of funds to the U.N. The permanent five seats are held by U.S., the Soviet Union, China, Britain, and France.

But Petrovskiy noted that Japan is not the only country that feels it has "enough ground to claim for (permanent) participation in the Security Council."

Other countries, among which Brazil is perhaps the most outspoken, have put forward their candidacy for a permanent or semipermanent council seat.

Meanwhile, a number of developing countries want the charter revised to allow for an expansion of the number the permanent seats on the U.N.'s Economic and Social Council.

Sources said Washington has cautioned Japan that pressing for an amendment to delete the enemy clauses might jeopardize its chances for a permanent Security Council seat, because Japan might not be able to later muster support for the seat.

Talks With USSR on Fishery Venture Continue

OW0106094591 Tokyo KYODO in English 0920 GMT 1 Jun 91

[Text] Tokyo, June 1 KYODO—Japan and the Soviet Union are negotiating informally on a joint fishery venture, government sources said Saturday.

The talks are an outcome of pledges on bilateral cooperation made in a joint communique isued during Soviet President Mikhail Gorbachev's April visit to Tokyo.

The Japan-Soviet company, which will engage in fishing, processing, and sales, will enable the Soviet Union to obtain hard currency, management know-how, and processing technology, the sources said.

Under the plan, the semigovernmental Overseas Fishery Cooperation Foundation of Japan is expected to finance Japanese participants in the venture and extend loans for construction of processing plants, they said.

The foundation is funded mainly by government subsidies, and loaned some 20 billion yen for 24 projects fiscal 1989.

Prime Minister Toshiki Kaifu's cabinet remains reluctant to extend financial aid to the ailing Soviet economy because of a lack of substantial progress on a dispute over sovereignty of islands off Hokkaido.

Indirect financing through the foundation at a relatively low rate of interest of 3.5 percent per annum would not be regarded as breaching the government's policy on aid to the Soviet Union, the sources said.

Both sides are expected to manage the company as equal partners, which would mark a difference in past practice in Japan-Soviet joint ventures, in which the Japanese partners were often at a legal disadvantage, they said.

Japanese Agriculture, Forestry, and Fisheries Minister Motoji Kondo is expected to discuss the agreement on the joint venture with Soviet officials when he visits Moscow later this month, the sources said.

PRC Student Granted Visa; Lawyers Urge More

OW0106140491 Tokyo KYODO in English 1304 GMT 1 Jun 91

[Text] Tokyo, June 1 KYODO—A group of 170 Japanese lawyers urged the government on Saturday to grant visa extensions to Chinese dissidents in Japan.

The Lawyers' Group for Protecting Human Rights of Chinese Students, headed by Hideo Fujii, former president of the Japan Federation of Bar Associations, issued the appeal at a press conference.

The appeal followed Justice Ministry approval on Friday of an extended stay sought by Chen Shinshen, 28, a student of fine art, who said that if sent back to China he would be subjected to persecution because of his pro-democracy activities.

Chen is the first Chinese to be given a visa extension because of "special circumstances in his home country" since Japan signed the Paris Summit Declaration of 1989 in which the signatories pledged to protect Chinese students.

"We urge the government to give many Chinese dissident students the same treatment as that obtained by Chen, in view of their grim visa situation," said Katsutoshi Fujimori, a leading member of the Lawyers' Group.

The group wants the government to give visa extensions to 22 other dissidents they are representing, as well as many others they believe to be in Japan. The group earlier handed over to the Justice Ministry a list of the 23 Chinese dissidents, including Chen, and their visa applications.

Chen came to Japan on September 4, 1987. After the Tiananmen Square crackdown in June 1989, when troops opened fire on pro- democracy demonstrators, he initiated protest activities in Japan.

In December, 1989, Chen joined the 120-member Japanese branch of the Paris-based Federation for Democracy in China (FDC), formed in that year. The other 22 Chinese on the list are also members of the FDC, as are 17 other students seeking visa extensions independently.

Fujii, the Lawyers' Group leader said, "the fundamental problem is why only Chen was given the visa extension, while the other 22 dissidents were not, despite our strenuous negotiations with the ministry."

The Justice Ministry's Immigration Bureau chief investigator, Katsuhiko Matsudaira, said the ministry will examine the applications filed by the 23 FDC members on a case-by-case basis.

The ministry believes the students, most of them studying at Japanese-language schools, are not covered by the Paris Summit Declaration, he said.

Matsudaira said he cannot immediately confirm reports that visa extensions applications by 40 FDC members have been officially rejected.

Lawyers and civic groups said the ministry has ordered at least six Chinese dissidents to leave Japan. They came to Japan before or immediately after the Tiananmen Square incident.

One of the six is Zhao Nan, the FDC chairman and a leader of the "Beijing Spring" democratic movement who edited several dissident magazines and then was detained for two years from 1982, the lawyers said.

Government Urged To Protect PRC Dissidents

OW0206135691 Tokyo KYODO in English 1245 GMT 2 Jun 91

[Text] Tokyo, June 2 KYODO—A Chinese dissident group called on the Japanese Government Sunday to protect the rights of Chinese dissidents studying in Japan.

The Japan branch of the Federation for Democracy in China welcomed Friday's decision by the Justice Ministry to grant an extended stay to Chen Shisen, 28.

Chen is the first Chinese dissident to be given a six-month "special activities visa" because of "special circumstances in his home country" since China's military crackdown on a pro- democracy movement in Beijing's Tiananmen Square in June 1989.

Chen told reporters, "only I was granted a visa extension and all the problems have not been settled. A number of our fellows are spending fearful and anxious lives every day since the Tiananmen Square incident two years ago."

Chen, who came to Japan in 1987 to study fine arts and joined the branch of the Paris-based group in December 1989, requested a visa extension, saying he would be persecuted if he went back to China because of his prodemocracy activities in Japan.

The group said 22 other Chinese dissidents in Japan are applying for visa extensions.

DSP's Ouchi Leaves for PRC for Talks

OW0306002691 Tokyo NHK General Television Network in Japanese 0300 GMT 2 Jun 91

[Text] Keigo Ouchi, chairman of the Democratic Socialist Party, left this morning for China from Narita Airport to exchange views with Chinese Government and party officials on the present state of China's reform and open-door policies and future Japan- China relations. He is visiting China at the invitation of the Sino-Japan Friendship Association. He will stay in Beijing until 5 June and return home on 8 June after traveling to Shanghai and Guangzhou. During his stay in Beijing, he hopes to meet with Premier Li Peng, General Secretary Ziang Zemin and other government and party officials. During meetings with these Chinese leaders, he intends to hear their explanations on the present state of China's reform and open-door polices since the Tiananmen incident. He also plans a broad exchange of views with them on the prospect of mending U.S.- Chinese relations, which have remained cold over the issue of extending the Most-Favored Nation trading status for China and other issues, on Japan's participation in UN peacekeeping operations, and on future Japan-China economic cooperation.

Trade With PRC 'Recovering' Since Sep

OW0306083891 Tokyo KYODO in English 0650 GMT 3 Jun 91

[Text] Tokyo, June 3 KYODO—Japan-China trade has been recovering since last September from a slowdown following the Chinese military crackdown on prodemocracy demonstrators in 1989, Japanese trade officials said Monday.

Trade contracts concluded with China by 18 major Japanese trading firms have often recorded double-digit increases since last year.

The officials attributed the growth in trade to China's economic recovery and the easing of economic sanctions imposed by Western nations against China following the military crackdown.

The Japan External Trade Organization (JETRO) is predicting that Japan-China trade could exceed a record 20 billion dollars this year. The previous record of 19.6 billion dollars was registered in 1989.

Japan-China trade had been growing steadily before June 1989, when exports to China fell 7.4 percent from a year earlier due to the crackdown.

Exports to China then recorded declines through the end of 1990, except a temporary rise in October 1990, and imports from China remained low.

Steel, home appliances, cars, and general machinery dominate the goods contracted for export to China. Chief mong the scheduled imports from China are fish, vegetables, sporting goods, and clothing.

Tokyo To Sign Nuclear Safety Accord With PRC

OW0306115991 Tokyo KYODO in English 1038 GMT 3 Jun 91

[Text] Tokyo, June 3 KYODO—The Japanese Government said Monday it will sign a new agreement with China for increased cooperation in the technical and safety aspects of the construction of China's nuclear power stations.

China is currently nearing completion of its first nuclear power station in the coastal Zhejiang Province south of Shanghai. It is due to be commissioned later this year.

The signing of the agreement follows fears on the part of experts in Japan and the International Atomic Energy Agency (IAEA) over the safety of the power station and a Chinese request for assistance from Japan.

Japan's geographic proximity to the Chinese province as well as other planned nuclear power stations in China means it could be directly affected by fallout from an accident on the same scale as the 1986 accident at Chernobyl in the Soviet Union.

This fear has prompted the Japanese Government to actively participate in an agreement aimed at guaranteeing the long-term safety of China's nuclear power stations.

Under the terms of the agreement, Japan will undertake to exchange personnel and information on the safe running of the power stations.

A government source said the agreement would cover such things as inspection and repair and procedures to prevent mishaps caused by human error, the exchange of information related to safety assessments and regulations, the exchange of safety maintenance technicians, and emergency measures to be taken in the event of an accident.

These measures will be decided after the Ministry of International Trade and Industry coordinates discussions with the Foreign Ministry and the Science and Technology Agency.

China's plans for increased industrialization and its desire to switch from coal-fired energy whose pollutants are known to harm the earth's atmosphere are behind its moves to construct nuclear power stations, beginning with the 300,000 kilowatt pressurized light water reactor in Zhejiang Province.

China originally aimed to develop its nuclear power industry entirely on its own, but has had to rely on overseas sources for some of the more complicated components in the construction process, leading to international concern that the incorporation of some 30,000 different imported components from diverse sources could compromise the plant's safety.

Mitsubishi Heavy Industries, Ltd., for example, is supplying the reactor's pressure container and the water supply pumps. Other parts come from France and Germany.

This prompted the IAEA to dispatch a representative to China in 1989 to assess the safety of the project and later to call for an improvement in several aspects of the project.

Japan and China already have a 1986 agreement covering nuclear power and based on this agreement China made a formal request for cooperation on safety aspects of the industry in April this year.

In response, the two Japanese ministries and the Science and Technology Agency agreed to fashion a new agreement with China based on similar ones signed with South Korea in May last year and with the Soviet Union during the visit to Japan in April by President Mikhail Gorbachev.

China is also building two nuclear power stations in Guangdong Province and plans the construction of a further 10 to supply 6 million kilowatts by the end of the century with a total output of 10 million kilowatts by early next century.

Kaifu Answers Questions on Regional Issues

HK3005014891 Hong Kong SOUTH CHINA MORNING POST in English 30 May 91 p 21

[Japanese Prime Minister Toshiki Kaifu answers questions from SOUTH CHINA MORNING POST foreign editor Richard Vines; date and place not given]

[Text] **What did you achieve during your recent tour of the Association of Southeast Asian Nations' member countries?**

Travelling to Malaysia, Brunei, Thailand, Singapore, and the Philippines from April 27 to May 6, I was able to have frank exchanges of opinions with the leaders of these countries on both the international situation and our bilateral relations, and I found these talks extremely useful.

In Singapore on May 3, I delivered a policy speech outlining Japan's basic foreign policy toward the Asia-Pacific region.

Expressing our sincere contrition at Japanese past actions, this speech emphasised our determination to contribute, not only economically but also politically, consistent with our position as a nation of peace for enhanced stability and prosperity in the Asia- Pacific region in this time of international transition.

I particularly noted the importance we attach to contributing people as well as money and materials as part of our "cooperation for peace."

I am confident that this visit, taking place as it did when the Cold War is being wound down and the international community is in a time of transition, served to reaffirm Japan's position as an Asian and an Asia-Pacific nation and to substantially strengthen our relations with the other countries of Southeast Asia.

The strengthening and enhancing of our relations of trust with the neighbouring Asian countries has rightly been called the very foundations enabling Japan to respond effectively to the international expectations held of Japan, as evidenced in the call I issued for the holding of an international conference on Cambodian reconstruction after peace is achieved in Cambodia. I fully intend to continue to work for the peace and prosperity of this region.

Is there a danger that the stalemate between Japan and the Soviet Union might create an imbalance in Japan's relations with the Soviet Union and China?

I held frank and thorough discussions with President Gorbachev on the basic issues between Japan and the Soviet Union, including the territorial issue, when he visited Japan recently.

The Joint Communique issued at the end of this visit marked the first time that the Northern Territories problem had been explicitly cited in a document as one of the issues to be resolved in a Japanese-Soviet peace treaty still under negotiation. This has been widely regarded as providing the impetus for new progress in Japanese-Soviet relations.

I believe that fundamental improvement and dramatic progress in Japanese-Soviet relations would ot only be in the two principal countries' best interests but would also contribute to peace and prosperity throughout the Asia-Pacific region.

Accordingly, Japan intends to continue to make every effort to resolve the territorial issue and to conclude a peace treaty with the Soviet Union.

By the same token, I firmly believe that the development of good relations with China is important not only for Japan and China but also for stability and prosperity in the Asia-Pacific region, and I thus intend to extend as much cooperation as possible to Chinese efforts for modernization based upon reform and openness policies.

Japan has been less critical than many countries of China's appalling human rights record. Why?

Japanese thinking on the issue of democracy in China, including the human rights issue, is clearly stated in the declarations issued at the G-7 (Group of Seven) Summits, and we are also taking every opportunity to convey this Japanese position to the Chinese side.

Believing as I do that the further implementation of reform and openness policies in China, including political reforms, are the best way to create a climate conductive to China's resolving the democracy issue itself consistent with Chinese conditions, I hope that this process will include due consideration of the position expressed by Japan.

What does Japan hope to achieve in its relations with China?

Given the changing international situation, it is increasingly important that Japan work to strengthen its relations with other friendly countries. The strengthening of stable relations with China and China's own stability are especially important for stability and prosperity not only in the Asia-Pacific region but worldwide.

It is based upon this realization that Japan intends to continue to work to make its relations with China closer and stronger, and we also intend to continue to extend as much support as possible for modernization based upon reform and open policies.

Japan has expressed its support for the Joint Declaration on the future of Hong Kong and the importance of the territory's continuing development. What are your feelings about the friction between Hong Kong and China over the territory's proposed new airport?

Japan recognises that Hong Kong's prosperity and stability are essential for the prosperity and stability of the entire Asia- Pacific region, including Japan, and we view this as very important. Thus we very much hope that the problems over the new airport will be smoothly resolved by China, the United Kingdom, and Hong Kong consistent with the Sino-British joint declaration.

What role can Japan play in helping to ensure a prosperous and democratic Hong Kong?

Japan has taken every opportunity to strengthen the economic ties between Japan and Hong Kong through, for example, the Japan Hong Kong Business Cooperation Committee, to provide technological cooperation for the development of Hong Kong's considerable human resources, and to contribute heavily to the various international agencies involved in helping resolve the issues raised by the boat people.

Japan has also stressed to other countries how important Hong Kong's continuing prosperity and stability are. Japanese business views Hong Kong as an important financial and logistics centre for all of Asia and as a very promising place to invest.

Many Japanese companies have already invested in Hong Kong and become good corporate citizens there. While Japan intends to continue these efforts for Hong Kong's continued prosperity, we also hope that Hong Kong will continue to make every effort to remain an attractive place to work and live.

NEC Director Named To Semiconductor Group

OW3005123791 Tokyo KYODO in English 1148 GMT 30 May 91

[Text] Tokyo, May 30 KYODO—Shinichi Ito, executive director of NEC Corp., was named Thursday as chairman of a group of Japanese electronics companies dealing with the U.S. semiconductor industry's demand for greater access to the Japanese market.

Ito will replace Hisao Oka, vice president of Mitsubishi Electric Corp., on June 20 for a one-year term as chairman of the Council of Japanese Companies Using Foreign-Made Semiconductors. The council is under the Electronic Industries Association of Japan.

Oka said Japanese companies are buying more chips from foreign manufacturers, especially in the fields of communications equipment and automobiles.

Mongolia

Party Official Remarks on Regulated Market

OW2905181091 Beijing XINHUA in English 1402 GMT 29 May 91

[Text] Ulaanbaatar, May 29 (XINHUA)—A market economy under the state regulation is the only way to overcome the economic crisis in the country, says a senior Mongolian People's Revolutionary Party (MPRP) official.

Badamadorjyn Bathishig, member of both the Presidium and Secretariat of the Central Committee of MPRP in charge of economy, told the country's "UNEN" newspaper recently that the state adjustment is necessary because the country is in a transitional period from the old system to a new one.

The situation, in which the old economic relationship no longer works while a new system is far from being mature, has given rise to poor links between the central and local governments, loose labor discipline and rampant underground economy the senior party official said.

He stressed the need for the country to take anti-crisis measures to overcome all the negative results in a shortest possible time and ensure the normal industrial production.

The measures should include full support for the development of private enterprises and service trade, a unified economical policy and the state control of mining pits, power generation, railways and air transport, Bathishig added.

He also advocated increasing exports and opening up special economic zones in the country to attract foreign investment.

PRC Airline Cooperation Minutes Signed 30 May

OW3005171791 Beijing XINHUA in English
1549 GMT 30 May 91

[Text] Ulaanbaatar, May 30 (XINHUA)—Civil Aviation Administration of China (CAAC) official Lu Ruiling and his Mongolian counterpart O. Jia-Ngdebsuren signed the airline cooperation minutes here today.

Under the minutes, China will open, beginning from August, two routes, Beijing—Ulaanbaatar, Hohhot—Ulaanbaatar, each two flights a week.

The signing of the minutes marks the resumption of CAAC's flights to Mongolia after a lapse of 30 years. Mongolia reopened its airline service from Ulaanbaatar to Beijing in 1986 and now two flights a week.

North Korea

Daily Views South's Planned Local Elections

SK3105112891 Pyongyang KCNA in English
1031 GMT 31 May 91

["Political Situation of Fascist Murder Must Be Terminated First of All"—KCNA headline]

[Text] Pyongyang May 31 (KCNA)—The No Tae-u ruling group, driven into the worst ruling crisis by a massive resistance of the South Korean students and people to overthrow the murderous "regime," unilaterally announced that "elections to large city and provincial councils" would be held on June 20.

Commenting on this, a NODONG SINMUN analyst today says:

By carrying the present repressive and murderous political situation directly to the situation of "elections to large city and provincial councils" the South Korean authorities seek to defuse the explosive sentiments of the South Korean people against No Tae-u and the "Democratic Liberal Party" in the hot wind of the "elections", create an illusion about democratisation and thereby bridge over the ruinous crisis and, furthermore, fake up "returns" of their nominees by suppression to lay a foundation for a long-term office.

The political gang of No Tae-u's "Democratic Liberal Party" and the Chong Won-sik fascist cabinet which are opposed and rejected by all the South Korean people as targets of overthrow are not authorized to control the "elections to large city and provincial councils."

The most urgent matter in South Korea is to put an end to the fascist "security-oriented rule" and the murder politics.

If the No Tae-u ruling group force the "elections" without ending the present-day political situation of fascist murder, there will be naturally an acute political confrontation between democracy and fascism.

The United States is the very one which manipulates behind the scene the No Tae-u ruling group bent on making the local autonomy a foundation of the fascist dictatorship and defends the brutalities of the murderous "regime" in South Korea.

All the political parties, groupings and people of all walks of life in South Korea should staunchly wage a struggle in firm unity under the banner of anti-U.S. struggle for independence till they get the U.S. troops withdrawn from South Korea and put a period to its colonial rule and military fascist dictatorship there.

Activities Against Students in South Viewed

SK0306063791 Pyongyang KCNA in English
0539 GMT 3 Jun 91

[Text] Pyongyang June 3 (KCNA)—The South Korean authorities have launched a wholesale search to round up "strange youngsters who did excessive acts" in recent demonstrations around the Paek Hospital in Seoul where the dead body of woman student Kim Kwi-chong is kept and in the city center, a radio report from Seoul said.

The protesters called "strange youngsters" are those who lost their jobs under the anti-popular policy of the authorities. It is natural that they should "be discontented with the situation."

Nevertheless, the authorities launched a search campaign, branding the youngsters as "strange ones" on groundless charges. This is part of their desperate moves to put down the massive anti-"government" action of the South Korean students and people which is gaining in scope and is being prolonged after the fatal police beating of Kang Kyong-tae and the murder of Kim Kwi-chong.

Students, Workers Condemn South 'Violence'

SK0306063691 Pyongyang KCNA in English 0532 GMT 3 Jun 91

["Brutal Murder of Woman Student Kim Kwi-chong Denounced in Northern Half of Korea"—KCNA headline]

[Text] Pyongyang June 3 (KCNA)—Students and working people of all walks of life in the northern half of Korea are bitterly condemning the No Tae-u fascist junta for murdering in cold blood coed Kim Kwi-chong of Sungkyunkwan University in Seoul.

Yi Hye-yong, student of Pyongyang University of Foreign Studies, said:

Coed Kim Kwi-chong courageously participated in a demonstration together with fellow students in demand of the resignation of the No Tae-u murderous "regime" and the punishment of the chieftains responsible for brutal murders. On what charges did the murderers deprive Kim Kwi-chong of her beautiful youth in broad daylight?

The gangsters of the No Tae-u "regime" of the "Sixth Republic" and the "Democratic Liberal Party" are the sworn enemy and beasts with whom our fellow countrymen cannot live under the same sky.

Pak Chang-hae, rector of the Pyongyang University of Mechanical Engineering, declared: I, as a fellow countryman and educationist, voice full support and solidarity for the struggle of the South Korean professors, students and the people of all walks of life, enraged at the death of coed Kim Kwi-chong and firmly believe that they will not spoil the blood shed by the patriotic young people by putting a period to the hideous "security-oriented rule" and the fascist rule of the "Sixth Republic" through a united and steadfast mass struggle.

Han Yong-ho, manager of the Pyongyang thermal power complex, had this to say:

The resistance of the people against the policy of violence cannot be put down by violence.

The South Korean students and people of other strata are courageously turning out to the street of resistance, declaring that democracy should be won even at the cost of their lives.

We workers firmly believe that the South Korean people will resolutely fight as one man till they have overthrown the dictatorial "regime" and liquidated the murderers.

Yi Yong-hi, chairman of the Potonggang District, Pyongyang municipulity, administration and economic guidance committee, noted:

The brutal murder of coed Kim Kwi-chong is an inevitable outcome of the fascist violence of the No Tae-u murderous dictatorial "regime" and the last-ditch effort of the dictatorial fanatics facing the crisis of destruction.

If the muderers are left alone in their suppressive campaign to prolong the dictatorship, no one can say what brutal bloodshed the South Korean people will have to suffer from.

The homicidal fascist dictators must be destroyed just as a mad dog must be beaten to death.

Public Support Urged for Ousting South's DLP

SK0306114691 Pyongyang KCNA in English 1050 GMT 3 Jun 91

["NODONG SINMUN Calls for More Determined Turnout in Struggle To Oust "DLP Regime"—KCNA headline]

[Text] Pyongyang June 3 (KCNA)—The South Korean people should turn out more determinedly in the struggle to oust the traitor No Tae-u and the "regime of his Democratic Liberal Party" [DLP], holding ever higher their present slogan "Down with No Tae-u", says NODONG SINMUN in a by-lined article today.

Noting that the fierce struggle of South Korean students and people of all walks of life against the United States and fascism and for national reunification which erupted with the murder of student Kang Kyong-tae [word indistinct] an occasion continues, the paper says:

When the U.S. imperialists and the No Tae-u group are leaving no stone unturned in their efforts to maintain and prolong the colonial military fascist dictatorship and trying to stage the second and the third Kwangju bloodbath, the South Korean people cannot push their demand for democracy and even cannot keep themselves alive, apart from struggle.

If the democratic forces of South Korea are to terminate the military dictatorship and achieve the democratisation of society, they must expel the U.S. imperialists, the colonial ruler, first of all.

Anyone who truly desires independence and wants democracy and the reunification of the country should rise up in the anti-U.S. struggle.

The South Korean people must force the No Tae-u fascist "regime" to resign, if they are to realize the desire for democratisation. The traitor No Tae-u is the chieftain of murder who, together with the traitor Chon Tu-hwan, plunged Kwangju into a sea of blood and an enemy of democracy who tramples underfoot the slightest democratic demand of the people at the point of the bayonet.

The might of the popular masses' struggle lies in unity. If the people of all walks of life—the workers, peasants, students, intellectuals and dissident figures— struggle, firmly rallied on one unified front under the banner of national reunification against the United States and dictatorship, they can certainly shatter any fascist offensive of the forces of colonial military dictatship.

The struggle against the dictatorial forces must be waged relentlessly without interruption. A fierce attack should be made continuously on the fascist bandits not giving them a breathing spell at this moment when they are at a loss in face of the fierce struggle of the people.

Kim Yong-sun Meets With KYODO Delegation

SK0306112791 Pyongyang KCNA in English 1057 GMT 3 Jun 91

[Text] Pyongyang June 3 (KCNA)—Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea, today met and had a friendly conversation with a delegation of the KYODO News Service led by its President Shinji Sakai.

Hints Improvement of U.S. Ties

OW0306071491 Tokyo KYODO in English 0642 GMT 3 Jun 91

[By Noboru Kimura]

[Text] Pyongyang, June 3 KYODO—North Korea indicated Monday a possible improvement in relations with the United States, its bitter enemy since the 1950-1953 Korean war.

Kim Yong-sun, secretary of the ruling (North) Korean Workers' Party in charge of international affairs, dropped the hint during a 90-minute interview with Shinji Sakai, president of KYODO NEWS SERVICE.

"Our country has many times proposed to the United States holding bilateral talks to improve relations. And there are some contacts between the two nations," said Kim, who is regarded as an architect of North Korean foreign policies.

"The situations around the world have been radically changing beyond our imagination. It is likely that relations between various nations will head in unexpected directions," he said.

Relations between the two countries remain at odds over many issues, despite a series of sporadic meetings at the embassy councillor level in Beijing since late 1988.

North Korea has refused Washington's demand it allow international inspection of its nuclear facilities.

While Kim remarked so far there is no major progress in relations between Pyongyang and Washington, he said, "I think it is possible for the two nations to contact through higher levels in the future."

North Korea has called on the U.S. to upgrade the current councillor-level contact to the ambassador-level one.

On stalled normalization talks between Japan and North Korea, Kim said, "The future development of the negotiations is totally up to the Japanese delegation." Japan and North Korea launched the talks in January in accordance with a three-party declaration last September.

In the joint declaration, Japan's ruling Liberal Democratic Party, the main opposition Social Democratic Party, and the Korea Workers' Party urged the two governments to set up full diplomatic ties as soon as possible. However, a third round of the three-day talks in Beijing ended May 22 without setting a date for the next round of negotiations.

The talks broke down after Japan asked for information on a Japanese woman said to have trained a self-confessed North Korean agent allegedly involved in the 1987 bombing of a South Korean airliner near Myanmar [Burma]. A week before the third round, Kim Hyon-hui, the agent, identified the Japanese woman, whom she knew by the Korean alias of Yi Un-hye, as a tutor who trained her in Japanese language and customs.

Kim was pardoned by the South Korean Government after being sentenced to death for blowing up a Korean Air jetliner on November 29, 1987, over the Andaman Sea off Myanmar. North Korea has denied any involvement.

In the third round of talks, North Korea refused to discuss the date for the next negotiations, demanding Japan retract its inquiry about the Japanese woman.

Kim said the story about the Japanese woman is a South Korean plot aimed at blocking the talks between Tokyo and Pyongyang. He indirectly urged Japan to retract its demand for information on her, saying, "We are ready to resume the normalization talks with Japan if Tokyo redresses the mistakes it made in the previous talks."

Kim also branded as distortion news reports North Korea started the negotiations with Japan to escape isolation from the international community. But he repeatedly distinguished the Japanese delegation, headed by Noboru Nakahira, to the normalization talks, from the Japanese Government. "I do not know whether the remarks made by Nakahira during the negotiations represent the Japanese Government or not."

On relations between Pyongyang and Beijing, Kim said, "Our ties with China are very wonderful. The friendly relations between the two nations have been achieved during a long period. I think our relations with China will greatly progress without any changes."

Asked about relations with the Soviet Union, Kim said the two nations have promoted a good relationship and further development of ties between Pyongyang and Moscow is the wish of the people in both countries. However, he added North Korea will not allow an attempt by any nations to help promote a "two Koreas" policy.

The Soviet Union, a long-time ally of North Korea, set up full diplomatic relations with South Korea in September last year, ending over 40 years of animosity.

WPK Congress, Kim Chong-il PRC Visit Planned

OW0306073091 Tokyo KYODO in English 0639 GMT 3 Jun 91

[By Noboru Kimura]

[Text] Pyongyang, June 3 KYODO—North Korea's ruling Korean Workers' Party [WPK] will hold a party convention to review overall party activities and discuss tasks for the future, party Secretary Kim Yong-sun said Monday.

In an interview with KYODO NEWS SERVICE President Shinji Sakai, Kim did not give the timing of the party convention, however.

Kim said, "The date for the party convention will be set based on consensus among all party members."

This is the first time that a senior member of the Workers' Party has mentioned holding the convention.

The North Korean party last held a convention in 1980.

In the 90-minute interview, Kim, who is in charge of international affairs, repeatedly stressed the importance in the country played by Kim Chong-il.

Kim Chong-il, 49 who is President Kim Il-song's son and heir apparent, is called "dear leader" by the country's 22.5 million people.

Kim Yong-sun said, "Kim Chong-il has guided our country in all fields such as politics, economy, culture, national defense, and diplomacy."

"Kim Chong-il will visit China to discuss measures to strengthen friendly ties between the two nations," the party secretary said. Kim Yong-sun, however, did not say when the junior Kim will visit China.

Kim Il-song, president and party general secretary, promoted the younger Kim to the No. 2 position in the Workers' Party hierarchy in the mid-1980s, supporting the belief that his son would take over in the communist world's first hereditary transfer of power.

Soviet Naval Delegation Arrives in Pyongyang

SK0306104191 Pyongyang KCNA in English 1022 GMT 3 Jun 91

[Text] Pyongyang June 3 (KCNA)—A Soviet naval delegation headed by Admiral Makarov Konstantin Valentsinovich, first deputy commander-in-chief and chief of staff of the Soviet Navy, arrived in Pyongyang today.

It was met at the airport by Vice Admiral Hwang Sok-kyun of the Korean People's Army and Alexandr Kapto, Soviet ambassador to Korea.

Kim Il-song Interview on 1 Jun Reported

OW0206113391 Tokyo KYODO in English 1017 GMT 2 Jun 91

[Text] Pyongyang, June 2 KYODO—Following are excerpts from North Korean President Kim Il-song's remarks in an interview Saturday with KYODO NEWS SERVICE President Shinji Sakai. (This is an unofficial translation by KYODO NEWS SERVICE.)

Question: Please discuss major topics in North Korean politics and economics and the outlook in these fields.

Answer: The Korean Workers Party and the Government of the Republic are holding fast to the principle of realizing independence in politics and self-reliance in economics. If the current third seven-year plan is successfully carried out, the people's material and cultural standards will be raised further, and our country will probably reach the level of the advanced countries.

The Korean people are now engaged in a great construction campaign. Pyongyang is abuzz with the construction of housing for 50,000 families. In our third seven-year plan, we have proclaimed the goal of building housing for 1,200,000 to 1,500,000 families.

Q: What problems need to be resolved for the improvement of Japanese-North Korean relations.

A: In essence, this is a question of building good new neighborly relations by resolving the mistaken past relationship between the two countries in response to the demands of the age and in the interests of the people of both countries.

To resolve the mistaken past relationship between the two countries, the most important thing is to properly reflect on the past. Japan should consider whether it is more in its interest to reflect on the past and improve relations with our country, or to continue the present abnormal relations.

No major progress has occurred so far in the Korean-Japanese normalization talks. However, the normalization of relations is the common desire of the people of both countries, and since the goal of these talks is good bilateral ties, both sides at the talks, in accordance with this desire and goal, should begin with statements agreeable to the other side.

If the acquaintance between our two countries deepens, I think we will probably come to understand each other and to exchange many agreeable statements.

If the two sides work hard and first quickly resolve the problem of normalizing diplomatic relations and then discuss other problems one by one, I expect that all problems can be resolved smoothly.

I am satisfied that Shin Kanemaru (former deputy prime minister) and Makoto Tanabe (vice chairman of the Social Democratic Party) have made many efforts for the improvement of Korean-Japanese relations.

No matter what difficulties stand in the way of setting up diplomatic relations, I am confident that the normalization talks between Tokyo and Pyongyang will advance in accordance with the three-party agreement (reached by Japan's ruling Liberal Democratic Party and opposition Social Democratic Party along with North Korea's ruling Korean Workers' Party).

I was asked if I have any intention of visiting Japan after the realization of Korean-Japanese diplomatic relations. Of course I do. I do not think there would be anything wrong with my meeting the Japanese people. I opposed Japanese imperialism—not the Japanese people—and I think our two peoples should link hands and move forward together.

As for the problem of allowing visits home by the Japanese women living in Korea, that problem should take care of itself if Korean- Japanese relations are normalized.

Q: What are the prospects for North-South dialogue.

A: We have no intention of breaking off the North-South talks. We are calling for their continuation. The problem depends on the South. If the South Korean authorities halt their actions obstructing unification and attend the talks (with a positive attitude), I think the North-South talks will proceed actively and produce results.

Q: What are the similarities or differences between Korean reunification and that of Germany?

A: I have not considered this issue deeply yet. We are not opposed to the realization of East and West German unification. U.S. President Bush voiced joy at the collapse of the Berlin Wall, but has never even mentioned the existence of the concrete barrier which divides North and South Korea. South Korean authorities camouflage the concrete barrier and do not allow people to see it. These things are intended to preserve the division of Korea.

Q: What can you tell us about Pyongyang's bid for U.N. membership at the U.N. General Assembly this fall?

A: My opinion is the same as the statement of the Foreign Ministry on U.N. membership. We respect the authority of the U.N. and regard it as natural that we, as a sovereign, independent country, should join the U.N. However, we have insisted on cautiously considering and resolving the U.N. membership issue so as to favorably affect the realization of unification of the homeland through negotiations between North and South, because the U.N. membership issue has a direct relation with the realization of unification, the supreme task of the Korean people. Despite our principled stance and correct efforts, the South Korean authorities have stuck to a schismatic stance.

As a result, under the situation in which North and South could not enter the U.N. with a single seat, we have decided to apply for U.N. membership as a measure to respond [to] this. Our fundamental stance that both North and South should jointly enter the international stage as a single nation and occupy a U.N. seat as a single state representing a whole nation has not changed.

Q: We would like to ask about the prospects of improving relations at the governmental level and the conclusion of a peace agreement between Pyongyang and Washington, the nuclear inspection issue, and the outlook for peace in Asia.

A: The abnormal relations between Korea and the U.S. are in all aspects connected to the United States' unjust Korean policies. When we consider the process of the general change in the situation today, I think the time has come when the U.S. must reconsider its Korea policies.

If the U.S. truly supports the unification of our nation and wants to move on the path toward guaranteeing peace on the Korean peninsula, there is no problem that cannot be resolved in improving relations between the two nations by unconditionally changing the armistice agreement to a peace agreement as we have proposed.

We do not have nuclear weapons and we do not produce nuclear weapons, so we are not opposed to nuclear inspections. Now, there are more than 1,000 nuclear arms stationed in South Korea. If there is to be a nuclear inspection, there must not be just an inspection of us, who have no nuclear weapons, but there must at the same time be an inspection of South Korea for nuclear weapons.

My thinking on the matter of International Atomic Energy Agency (IAEA) safeguards (and allowing international inspection of nuclear facilities) is that a positive result could emerge by meeting with the United States.

We are extremely pleased to hear that (former Deputy Prime Minister) Shin Kanemaru will go to the U.S. to act as an intermediary (for North Korea).

I think he may have a plan to resolve the difficult issues in Korean-U.S. relations to allow smooth progress in Korean-Japanese relations.

Ensuring peace and security in Asia is a matter to be discussed among the people of the many Asian nations. We must protect the peace and stability of Asia through cooperation in expelling aggressive foreign military bases and troops from the region.

Kim Views Normalization Talks

OW0206120991 Tokyo KYODO in English 0715 GMT 2 Jun 91

[By Noboru Kimura]

[Text] Pyongyang, June 2 KYODO—North Korean President Kim Il-song said he is convinced that normalization talks between Tokyo and Pyongyang will advance in accordance with a three-party agreement even if difficulties stand in the way of setting up full diplomatic relations.

In an interview Saturday with Shinji Sakai, president of KYODO NEWS SERVICE, Kim warned, however, that bringing up "an issue which the other side does not want to hear" will delay the talks.

At the last round of talks, Pyongyang criticized Tokyo for bringing up the issue of a woman allegedly abducted from Japan to coach a self-confessed North Korean agent convicted in the 1987 bombing of a South Korean airliner on how to pose as a Japanese tourist.

The interview took place in a guest house near Lake Yonpung, some 60 kilometers north of Pyongyang.

A week before the third round of the normalization talks, the self-confessed spy, Kim Hyon-hui, identified a Japanese woman as her tutor. Kim, 29, was pardoned by the South Korean Government after being sentenced to death for blowing up the plane with 115 people on board over the Andaman Sea off Myanmar.

North Korea has denied any involvement in the case, branding it a South Korean fabrication.

In an apparent reference to the Japanese request for information on the woman, the North Korean president said, "It is not good to delay the normalization talks by bringing up an issue which the other side does not want to hear."

Kim said, "I think it is good for the two nations to settle issues after setting up full diplomatic relations."

North Korean negotiators at the talks have proposed putting aside questions such as Japanese compensation for settlement after normalization.

The North Korean leader said he hopes to visit Japan after diplomatic relations are established.

"I think if the two sides improve bilateral relations by setting out to discuss good subjects and settle them, there will be no big problems," said the 79-year-old president.

Tokyo and Pyongyang started the normalization talks in January based on a declaration Japan's ruling Liberal Democratic Party (LDP) and opposition Social Democratic Party (SDP) issued along with North Korea's ruling Korean Workers' Party.

The declaration, signed in September by Japan's former deputy Prime Minister Shin Kanemaru, SDP Vice Chairman Makoto Tanabe, and Kim Yong-sun, secretary of the Korean Workers' Party, urged the two governments to set up diplomatic relations as soon as possible.

Negotiators from the two countries have met three times with no substantial progress.

The third round of talks ended in Beijing on May 22 with no agreement on when the two sides will meet again.

The North Korean delegation, headed by Vice Foreign Minister Chon In-chol, refused to set a date for the next talks until Japan retracts its inquiry about the Japanese woman said to have tutored Kim Hyon-hui.

Choe Kwang at Children's Tank Donation Meeting

SK0306062391 Pyongyang KCNA in English
0527 GMT 3 Jun 91

[Text] Pyongyang June 3 (KCNA)—School children throughout the country have presented 45 "Children 91" tanks on the occasion of the 45th founding anniversary of the Children's Union of Korea (June 6).

Those tanks represent the school children's spotlessly clean loyalty to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il and their ardent patriotism to make what little contribution they can to the increase of the national defence capabilities.

In the course of doing many good things the school children show their greater sincerity to the party and the leader, the country and the people.

Through their active do-good-thing movement in the past period they had donated many trucks, electric locomotives, cranes, tanks, planes and others named "children". A meeting to present the "Children 91" tanks was held on the spot Sunday.

Choe Kwang, member of the Political Bureau of the C.C. [Central Committee], the Workers' Party of Korea and chief of the General Staff of the Korean People's Army [KPA], and other senior officials were present.

Choe Yong-hae, chairman of the C.C., the League of Socialist Working Youth of Korea, made a presentation report.

After the donation note of the tanks was handed to a KPA unit, Children's Union members presented to the tank crewmen a flag of the Republic and a silk banner with garlands and bunches of flowers.

Then followed speeches of delegates of the People's Army soldiers and the school children.

NODONG SINMUN on Ideological Education

SK2505153591 Pyongyang KCNA in English
1455 GMT 25 May 91

["Immortal Classical Work Which Brought About Revolutionary Turn in Party Ideological Education"—KCNA headline]

[Text] Pyongyang May 25 (KCNA)—NODONG SINMUN today comes out with an article headlined "Immortal Classical Work Which Brought About Revolutionary Turn in Party Ideological Education" on the occasion of the 24th anniversary of the publication of the great leader President Kim Il-song's work which expounds the orientation of the party propaganda work on May 25, 1967.

The great leader in his work made a profound analysis of the lawful demand of the party building of the working class and of the concrete situation of the party ideological work, defined it as the general orientation of the party ideological work to establish the party's monolithic ideological system and gave a comprehensive exposition of the tasks and ways to intensify education in the party's policies, education in the revolutionary traditions and education in socialist patriotism in accordance with the demand of establishing the monolithic ideological system of the party.

The great leader published the classical work to firmly establish chuche in the ideological education and build the unbreakable revolutionary party which has the uniformity of the idea and leadership. This is an undying historical feat performed by him in the party building and the accomplishment of the cause of socialism and communism, the author of the article says, and goes on:

The weighty significance of the idea, theory and policy expounded in the work lies first of all in making it possible to constantly develop in depth the work of establishing the party's monolithic ideological system in conformity with the requirements of the developing revolution.

The great leader Comrade Kim Il-song said:

"It is very important to continuously develop in depth the work of establishing the party's monolithic ideological system in view of the lawful demand of the party building or in view of the practical experience of our party building."

To establish the party's monolithic ideological system is the fundamental principle of the building of the working-class party and the general orientation to be constantly adhered to in the party's ideological work.

What is important in establishing the party's monolithic ideological system is to arm the whole party with the idea of the leader and thoroughly ensure the unified guidance of the leader.

Achieving the party's unity and cohesion based on the monolithic ideology is a fundamental guarantee for preventing the division of society and upholding the banner of socialism.

Only when the party's monolithic ideological system is firmly established is it possible to smash the ideological offensive of the imperialists and all sorts of class enemies and counter their anti-socialist campaign with the indestructible might of unity and cohesion.

Today our party members and working people are fighting with the chuche idea, the monolithic ideology of our party, and the party's lines and policies, its embodiment, as their faith and our party has strengthened and developed into loyal ranks that think and act only according to the intention of the party and the leader, rallied close around the leader.

The weighty significance of the work also lies in that it makes it possible to purely carry forward the great revolutionary traditions of our party.

With the education in the revolutionary traditions intensified in accordance with the policy laid down in the work our party members and working people have come to more profoundly grasp the revolutionary idea of the great leader and his undying revolutionary feats and better carry forward the examples of loyalty and noble revolutionary [word indistinct] displayed by the anti-Japanese revolutionary forerunners under the guidance of the leader.

The great significance of the work also lies in that it makes it possible to intensify communist education, particularly, education in socialist patriotism so as to rear all the party members and working people to be the communist revolutionaries who ardently love the socialist motherland.

As taught by the great leader, socialist patriotism is a noble patriotism that combines the consciousness of the class with that of national independence and love for the socialist system with that for the motherland.

The great leader saw to it that communist education, particularly, education in socialist patriotism has been, intensified. This greatly helped prepare our people so politically and ideologically that they can build socialism of our own style in any storm and stress.

The policy of the party ideological education set forth by the great leader is being successfully implemented under the guidance of dear Comrade Kim Chong-il and our party's ideological work is further developing in depth to meet the requirements of the developing reality.

NODONG SINMUN Views Kim Il-song Work

*SK3105114391 Pyongyang KCNA in English
1011 GMT 31 May 91*

["Immortal Work on Historical Experience of Great Party Building"—KCNA headline]

[Text] Pyongyang May 31 (KCNA)—NODONG SINMUN today dedicates a signed article to the fifth anniversary of the publication of the classical work of the great leader Comrade Kim Il-song "Historical Experience of Building the Workers' Party of Korea" (May 31, 1986).

The article says:

The great leader Comrade Kim Il-song in the work said:

"Through a long period of revolutionary struggle our party has earned unqualified support and trust from the masses and become an unconquerable party which is firmly united, and has rich experience and the ability to give seasoned leadership."

The work, which consummates the experience established in the work to strengthen the party, proves the greatness of our party and indicates the way to strengthen and develop the working-class party into an invincible party.

Important in strengthening the party is to adhere to its revolutionary character. The work expounds the unique idea that our party is a party of chuche as it is guided by the chuche idea and is fighting to accomplish the cause of chuche. Thus the factor defining the revolutionary character of the party is newly indicated and the guiding compass is provided to strengthen and develop our party constantly into a revolutionary party of chuche.

The organizational and ideological consolidation of the party ranks is the main content of party building and the principal task in party work.

Our party has always put main stress on consolidating its ranks organizationally and ideologically and unceasingly developed the work in depth in keeping with the demand of the developing revolution. In this course it has gained experience in thoroughly establishing the party's monolithic ideological system, building up the party ranks organizationally, educating the cadres and party members in a revolutionary way and enhancing the functions and role of party organizations.

To achieve the unity and cohesion of the party and the masses is an important principle of building a working class party and a firm guarantee for the strengthening of the party and revolutionary ranks.

Fully summed up in the work is the experience gained by our party in achieving unity and cohesion with the masses, building the party as a mass party, establishing the working people's organisations and constantly increasing their functions and role, conducting united front work and working well with people of different sections and implementing the mass line.

The work is a powerful weapon which consummates the experience in the party's leadership over the revolution and construction so as to enable the party to positively carry out its mission by heightening its leading role in the revolution and construction.

The leadership of the revolution and construction is an important duty of the working class party and the party's leadership is the life line of the socialist cause.

Our party solved the question of power properly and, using the people's government as a weapon, carried out the anti-imperialist, anti-feudal democratic revolution and socialist revolution, and has pushed ahead with the three revolutions, ideological, technical and cultural, and is successfully giving uniform guidance in all fields including economic construction, building of the revolutionary armed forces and foreign affairs.

To create a revolutionary leadership art is important in ensuring the party's leadership in the revolution and construction. The art of party leadership is a mode of party's activities and its leadership ability in getting the organizations and the masses on the move and guiding them.

As the work points out, our party's art of leadership consists chiefly of the revolutionary work system and revolutionary and popular work method and style.

The immortal exploit of the work is that it clarifies the experience and prospect of our party which is building itself as the guide of the socialist and communist society under a long-term programme.

What is important in strengthening and developing the party into the guide of the socialist and communist society, is that the cause of the party is correctly carried forward from one generation to another, and what is essential in this is to solve the problem of the successor to the leader correctly.

The work indicates the idea that the successor to the leader must be a leader of the people who is absolutely faithful to the leader and who has the personality and qualities to achieve complete political leadership over the whole of society and that a solid organisational and ideological foundation and the guidance system to ensure the leadership of the successor must be built firmly. Thus the fundamental question of brilliantly accomplishing the cause of the working class generation after generation was expounded for the first time.

The work notes the neccessity of the party's existence in communist society and sets tasks and ways of building our party in a far-sighted way in conformity with the demand of the communist society, and thus gives scientific answers to the questions of principle arising in the law of the party's development and the party building and its activities in communist society.

Thus the question of political leadership in communist society which had remained an unsolved matter of controversy was settled and the party's mission and duty were newly defined.

The work is an encyclopedia which gives scientific answers to all questions arising in the working-class party's construction and activities, a revolutionary wealth which consummated the theory of party building of chuche and developed and enriched it and an immortal militant banner guiding the cause of party building and the cause of socialism and communism to victory.

Short-Term Radiation Security Course Held

SK3105114291 Pyongyang KCNA in English 1045 GMT 31 May 91

[Text] Pyongyang May 31 (KCNA)—A short-term course on the establishment of the radiation security and protection system was held here from May 20 to 31 under the technical cooperation plan of the International Atomic Energy Agency (IAEA).

It was attended by the delegation of IAEA lecturers led by Karol Skornik and Korean radiation security and protection officials.

The short-term course included lectures, questions and answers and video show.

The course dealt with the application of radioactive rays and radioisotope in industry, agriculture, medicine and other sectors, security and protection and the establishment of infrastructure.

Achievements and experiences in this field were introduced at the course.

KCNA Review of 1 Jun Pyongyang Press

SK0106053491 Pyongyang KCNA in English 0441 GMT 1 Jun 91

[Press Review]

[Text] Pyongyang June 1 (KCNA)—Papers here today carry a photo-accompanied report that the great leader President Kim Il-song received the Afghan Government trade delegation and news that the dear leader Comrade Kim Chong-il received a gift from the Ministry of Commerce of Afghanistan.

According to the press, "Our Socialism for the People Will Not Perish," a work of Comrade Kim Chong-il, was reported abroad.

An article of MINJU CHOSON says that Comrade Kim Chong-il formed the "February 17 Shock Brigade of Scientists and Technicians" and wisely led it to effect innovations in different sectors of the national economy.

Carried in NODONG SINMUN are messages of greetings sent by the Central Committee of the Workers' Party of Korea to the National Convention of the Workers World Party of the United States, the 10th Congress of the Communist Party of Martinique, the Central Committee of the Nepali Congress and the Central Committee of the Nepal Communist Party (United Marxism-Leninism).

"Invincible Is Our Socialism That Has Struck Its Deep Roots in the Hearts of the People" is the title of a NODONG SINMUN article. The article says that socialism of chuche built under the wise guidance of the party and the leader is shedding its rays as a most solid socialism that has struck its deep roots in the hearts of all our people.

Papers in editorials warn that the fascist government will meet a stronger protest, in connection with the fierce mass movement against the U.S. imperialists and the No Tae-u ruling group going on in South Korea. The Musan mining complex and factories and enterprises in different domains of the national economy overfulfiled their assignments for May and innovations have been effected in the production of electric locomotives and passenger cars, says the press.

NODONG SINMUN gives accounts of a scientific seminar and a photo and book exhibition marking the 45th founding anniversary of Kim Il-song Higher Party School.

Introduced in the daily is the newly released two-part Korean feature film "Girls of My Native Village" which truthfully recounts a beautiful story about young people of the new generation educated and trained by our party, who are bringing genuine love and happiness into bloom.

Dailies observe International Children's Day.

New home records were set in 17 events at the sports games for "Mangyongdae Prize" which were held from April 2 to May 30, according to the press.

Dailies inform the readers that a 1991-1993 intergovernment plan for cultural and scientific cooperation between Korea and the Soviet Union was signed in Moscow.

Papers report about the unceasing struggle of South Korean students and people denouncing the No Tae-u ruling group's brutal murder of student Kang Kyong-tae and woman student Kim Kwi-chong and demanding the resignation of the present "regime".

Conveyed in the press are voices of working people of various strata in the northern half of the DPRK and world public condemning the South Korean authorities' murderous atrocities.

NODONG SINMUN comments on outbursts of the new puppet acting prime minister and justice minister to force the order of the fascist law on the people.

In a semi-monthly review of the South Korean situation, the daily says that the South Korean people continued their fierce anti-U.S., anti-No Tae-u struggle, defying the fascist suppression and appeasement by the No Tae-u "government".

Dailies inform the readers of the starting ceremony of the "international solidarity march for supporting Korea's reunification" which were widely held in different countries.

It is reported in the press that a political function and a military ceremony were held in Havana in the presence of Comrade Fidel Castro upon the conclusion of the withdrawal of the Cuban troops from Angola, an international meeting on the pan-American games was held in Havana, Australian and Japanese delegates called for the withdrawal of U.S. weapons and the denuclearization of the Korean peninsula at a session of a U.N. disarmament conference and Makoto Tanabe, vice-chairman of the Central Executive Committee of the Japan Social-Democratic Party, criticized the Japan Government for bringing the Japan-DPRK intergovernmental negotiations to a deadlock.

NODONG SINMUN reports that the 12th plenary meeting of the Central Committee of the Communist Party of Vietnam was held and the Secretariat of the Central Committee of the Communist Party of the Soviet Union discussed the problem of crimes increasing in the economic field.

Dailies observe the 15th anniversary of the establishment of diplomatic relations at ambassadorial level between Korea and Papua New Guinea.

"To build free and peaceful new world is common task of mankind" is the title of a NODONG SINMUN article.

KCNA Review of 3 Jun NODONG SINMUN

SK0306065391 Pyongyang KCNA in English 0555 GMT 3 Jun 91

[Review of NODONG SINMUN]

[Text] Pyongyang June 3 (KCNA)—NODONG SINMUN today carries a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to the 27th assembly of heads of state and government of the Organisation of African Unity (OAU).

Foreign news media gave publicity to "For a Free and Peaceful New World," the speech of the great leader President Kim Il-song at the opening session of the 85th Interparliamentary Conference, says the paper.

According to the paper, President Kim Il-song received a message from King Hussein the First of Jordan in reply to his message of greetings sent to the latter on the occasion of the 45th anniversary of the independence of Jordan.

Carried in the paper are a letter to President Kim Il-song from the participants in the Tanzanian national seminar on the chuche idea and education, an account of the seminar and a report made at the seminar.

President Kim Il-song received a letter from the participants in the seminar on the chuche idea held in Japan on the occasion of April 15, says the paper.

Under the title "President Kim Il-song Is National Hero Well-Known in the World" the paper carries an impression of Korea given by Ahmed Obeidat, ex-prime minister and vice-president of the senate of Jordan.

Seen in the paper is a travel note of a reporter who visited the Pochonbo Revolution Museum situated in Pochon County, Yanggang Province, on the lapse of 54 years since President Kim Il-song led the Pochonbo battle to victory on June 4, 1937.

The paper runs an article titled "Classical Work That Gave a Comprehensive Exposition of Chuche-Based Theory of Training Party Cadres" on the 45th anniversary of the publication of "The Central Party School Is a Communist College To Train Party Cadres", a classical work of President Kim Il-song.

Given in the paper is an account of a meeting held on the spot to mark the 30th anniversary of President Kim Il-song's on-the-spot guidance of the township general shop of the Chonchon County, Chagang Province, commercial management office.

The Lao news agency reported about "Our Socialism for the People Will Not Perish," a work of the dear leader Comrade Kim Chong-il, says the paper.

The paper reports that the Namhung youth chemical complex is stepping up the production of chemical fertilizers, the Changjagang power station is keeping a high and steady rate of power production and the construction of the Taekwon-do gymnanism in Chongchun Street of Pyongyang is progressing at a fast tempo.

Given in the paper is an account of a presentation meeting of children 91 tanks provided by school children throughout the country on the occasion of the 45th anniversary of the founding of the Korean Children's Union (June 6, 1946).

The paper informs the readers that the fifth-term inaugural ceremony of Chondaehyop was held in Pusan, attended by about 40,000 students from 178 universities and colleges, citizens and dissidents from across South Korea.

It is reported in the paper that some 5,000 students held a mourning service for Kim Kwi-chong and a rally for 400,000 Seoul students' death struggle and vowed to fight for the termination of the "security-oriented rule" of the No Tae-u fascist ruling group, high school students in Taegu took part in the anti-"government" struggle collectively and some 1,000 members of the "Democratic Liberal Party" declared their defection from the party.

In an article, the daily calls on the South Korean people to fight to the last under the banner of the anti-U.S., anti-fascist struggle for national reunification.

The paper reports that Koreans in Germany held a mourning service for student Kang Kyong-tae and the "measure committee of Koreans in Germany" to denounce the violent murder of Kang and terminate the security-oriented rule issued a resolution in protest against the atrocties of the No Tae-u fascist ruling group.

It informs the readers that foreign visitors to Korea stressed that the concrete wall built by the U.S. imperialists and the South Korean ruling group in the area south of the Military Demarcation Line must be pulled down and an international signature campaign for the reunification of Korea was held in different countries.

The U.S. imperialists and the South Korean puppets staged a large-scale overall joint aerial exercise against the North, according to the paper.

A national exchange rally was held in Osaka, Japan to hear a report on the investigation into the forced labour of Koreans, says the paper.

The paper condemns the U.S. imperialists for spreading a false rumour that China is "exporting" nuclear and missile technologies to developing countries.

It is reported in the daily that Comrade Fidel Castro stressed that the cause of socialism will never perish in the world and Soviet papers said the market economy deepens social discord.

It introduces economic construction in Vietnam, Laos, Thailand, Afghanistan, India, Pakistan and Bangladesh.

The paper runs an article denouncing the Zionists' moves of territorial expansion.

Sout Korea

Demonstrators, Police Clash in Major Cities

SK0306030591 Seoul YONHAP in English 0241 GMT 3 Jun 91

[Text] Seoul, June 3 (YONHAP)—Flaming firebombs, toxic tear gas and chunks of paving stone hit some busy segments in Seoul and Pusan Sunday afternoon, shattering a week of calm and mounting hope for peaceful demonstrations.

Demonstrators clashed with riot police in downtown Seoul and Pusan when rallies to "crack the heavy-handed rule and set up a democratic government" were stormed by the riot police.

It was one of dozens of violent street protests on Sunday led by a coalition of 55 dissident organizations formed after student Kang Kyong-tae was beaten to death by the police during a demonstration on April 26.

A protest May 28 went without firebombs and tear gas for the first time in five weeks of the worst violence and largest number of self-immolations since President No Tae-u took office in 1988.

After the Seoul rally was moved by police to Pagoda Park from City Hall at 4:30 P.M., some 15,000 demonstrators, some of them yelling "Down with the government," hurled firebombs and chunks of paving stone at tear gas-firing riot policemen into late evening.

Thousands of riot policemen were deployed downtown Seoul, sealing off streets for demonstrators defying police order not to march to City Hall.

In Seoul alone, some 20 students and shoppers, and a similar number of policemen, were injured by rocks or firebombs.

Vehement street clashes also erupted in the southeastern port of Pusan, where some 30,000 students and activist workers took to the streets after an inauguration ceremony for the fifth nationwide council of student representatives (Chondaehyop).

Before going on the rampage through the streets of Pusan with firebombs and rocks, the demonstrators held a students-workers resolution rally to "end the murderous heavy-handed rule and oust the regime" at Pusan National University.

The workers justified their violence as a protest over a jailed union leader found dead outside a hospital early last month and the snatching of his corpse for a post mortem by demolishing a hospital wall. The students were protesting the death of a student during a demonstration in late May.

Police rounded up some 160 demonstrators, most of them students , and freed 122 with admonition. Among those picked up, ten were booked on charges of hurling firebombs and 28 undergoing further investigation.

Sporadic clashes were reported in downtown Kwangju, a southwestern city of opposition leader Kim Tae-chung's home turf. About 500 people held a rally, quickly dispersed by the police, in front of a hotel in western Kwangju after the street protests, but there were no firebombs and tear gas hurled or fired.

Chong Won-sik Held by Students, Escapes 3 Jun

SK0306124091 Seoul KBS-1 Radio Network in Korean 1200 GMT 3 Jun 91

[Text] Acting Prime Minister Chong Won-sik, while giving a lecture as a part of a series that he had begun before he was appointed as prime minister, was held by students who stormed the lecture room for approximately 30 minutes.

At around 1915 today, acting Prime Minister Chong Won-sik was giving a final lecture to students of the Graduate School of Education in lecture room No. 418, on the fourth floor of the Hanguk University of Foreign Studies in Seoul. Then, approximately 100 students stormed the lecture room and the lecture was stopped.

Under the protection of his guards and the graduate school students receiving his lecture, the acting Prime Minister rapidly fled to nearby lecture room No. 415. But students threw eggs and plaster powder at acting Prime Minister Chong Won-sik.

While acting Prime Minister Chong was fleeing to lecture room No. 415, students shouted the slogans, "Save the Life of Kim Kwi-chong."

At around 1940, they ran into lecture room No. 415, tackled him to the ground, and threw eggs and plaster powder at him. In addition, some students hit him.

At around 1945, acting Prime Minister Chong went out of the school, barely caught a taxi with the help of his guards, and returned to the prime minister's residence at Samchong-tong.

Industry 'Relatively Calm' Despite Social Unrest

SK2405035291 Seoul YONHAP in English 0226 GMT 24 May 91

[Text] Seoul, May 24 (YONHAP)—Despite social and political unrest hitting South Korea following the fatal beating of a Seoul student by police late last month, industry has been relatively calm with fewer disputes than last year.

The number of disputes is down substantially and damage to exports and production caused by disputes so far this year is a sharp drop from last year, according to figures released by the Economic Planning Board and the Labor Ministry Friday.

A total of 110 industrial disputes were reported to the authorities so far this year, down from 170 in the same period last year, according to the report.

In May, 44 disputes were reported as of Wednesday, down from 72 a year before, indicating a degree of stability although some unions joined student and dissident groups in nationwide protests over the police beating incident.

The number of workplaces with disputes under way was 26 on Wednesday, down from 43 on the same day last year.

Disputes caused production losses of 243.9 billion won (336.4 million U.S. dollars) as of Wednesday, about one-quarter of the losses of 897 billion won in the same period last year.

Export losses dropped from 172 million dollars last year to 40 million dollars.

Wage negotiations have been slow, however.

Of the 6,590 companies with more than 100 employees, pay talks have been completed at 1,624, or 24.6 percent. The rate was 29.1 percent a year ago.

Of the 300 major companies, which set pay standards for everyone else, 45 percent had completed negotiations, down 48.5 percent from last year. Hikes this year average 9.2 percent, 0.8 percentage points higher than last year.

20 Jun Elections Seen as Litmus Test for No

SK0106040991 Seoul YONHAP in English 0205 GMT 1 Jun 91

[Text] Seoul, June 1 (YONHAP)—The race that began Saturday for 866 seats on city and provincial councils is a litmus test of South Korean President No Tae-u's performance.

After the June 20 date was formally announced, the 298 local election management committees opened their doors at 9:30 A.M. to register candidates until June 6. Campaigning will heat up June 8, when public speeches are to begin.

Officials at the Central Management Election Committee (CEMC) predict a three-to-one competition and have assigned 100,000 people to watch for illegal activities such as bribery.

The June elections are the second step in reinstating local autonomy after a 30-year absence. The first round of elections was in March, when voters chose 4,304 councilmen in small districts. Competition was lower than expected at 2.3-to-1.

Unlike in March, political parties are allowed to field candidates for the June 20 poll to fill council seats in six major cities and nine provinces. The election is widely perceived as a test of public support for the various parties and a signpost to the upcoming general and presidential elections.

Given the neck-and-neck regional support for the ruling Democratic Liberal Party (DLP) and the main opposition New Democratic Party (NDP), the swing vote is likely to be the "neutral zones" such as Seoul and Kyonggi Province.

The DLP claimed a landslide victory in the March ballot, with nearly 80 percent of the winners either party members or pro-DLP. No is hoping to repeat this success, but his image has been sullied by escalating anti-government protests since the police killing of a demonstrator April 26.

Massive demonstrations, the largest since No took office in February 1988, were fueled by protesters committing suicide to register their anger against the government.

The DLP is campaigning on a broad platform of 388 campaign promises, top among which are controling inflation and improving the living conditions of farmers and fishermen.

Party leaders are already barnstorming across the country for DLP candidates, with party Co-chairman Kim Chong-pil cutting the tape with a trip to South Chungchong Province on Friday. DLP No. 2 man Kim Yong-sam is expected in Kyonggi Province on Monday with other leaders following suit.

Kim Tae-chung's NDP is opting for outdoor rallies and campaigning to end No's "security-oriented" regime. There was a rally in Seoul on Friday and another is set for Pusan on Saturday to build up momentum.

One of the most serious challenges to the NDP is not from the DLP, however, but from within the party's own ranks as leading members rebel over the alleged selling of party nominations.

Three have already left the NDP, and at least 10 others are threatening to quit in protest at the corruption.

The splinter Democratic Party is reportedly focusing on the cities, hoping to win over disaffected non-regional voters.

1992 Defense Budget Raised Roughly 25% Over 1991

SK0206015891 Seoul THE KOREA TIMES in English 31 May 91 p 3

[Text] The Defense Ministry has set the national defense budget for fiscal 1992 at a total of 9,288.4 billion won (roughly 11.84 billion U.S. dollars).

Disclosing the scale of the 1992 defense budget, a ministry office said yesterday the budget amount of 9,288.4 billion won was a markup of approximately 25 percent from the figure for 1991.

The 1992 defense budget, according to a ministry official, breaks down to 65.5 percent for operation and maintenance costs and 34.5 percent for the cost of a war-waging capability buildup. Operation and maintenance costs cover supplies to and salaries for military servicemen and repair and maintenance of equipment.

The ministry official added that about 85 percent of the defense buildup cost was for long-term military modernization schemes such as the ongoing Korea Fighter Program.

DPRK Reportedly To Build New Scud Missiles

SK0306034291 Seoul YONHAP in English 0258 GMT 3 Jun 91

[Text] Seoul, June 3 (YONHAP)—North Korea has secretly signed a contract with Libya on building a new type of Scud missile with a range of 1,000 kilometers, a highly-placed South Korean military source said Monday. Libya will bankroll the costly project on condition that the Scuds and related technology would be given to Tripoli, the source said. North Korea already produces a version of the Soviet Scud-B with a 600-km range.

"North Korea can strike any target in South Korea with the existing 600-km Scuds, which are deployed near the truce line bordering the two Koreas. The new missiles will be an even more serious threat to security in South Korea," the source said.

South Korea lags behind North Korea in terms of missile development as it is under constant U.S. pressure not to build missiles with a range of over 200 kilometers, according to the source. The North Korean Scuds are reportedly capable of carrying nuclear or chemical warheads.

Denying reports that North Korea has already completed the much touted nuclear facilities, the source said the facilities would be finished by the end of 1993 at the latest and would produce nuclear bombs from 1995. He added, however, that there was a possibility North Korea would complete the work by the end of this year and start building weapons from 1993.

Amid widespread reports that North Korea is only a few years away from producing nuclear devices, many nations have called on the communist leadership to open its nuclear facilities to international inspection, but to no avail.

North Korean President Kim Il-song told a visiting group of Japanese journalists on Saturday that inspection should be made of both South Korea and North Korea. "Inspection should be made simultaneously, not only on our side, which does not have nuclear weapons, but in South Korea, which has them," Kim was quoted as telling officials of KYODO NEWS SERVICE over lunch.

North Korea consistently says the U.S. forces in South Korea possess nuclear arms. The U.S. Administration follows a policy of neither denying nor confirming the presence of nuclear weapons.

According to earlier reports, North Korea is capable of producing more than 50 surface-to-surface Scud-B missiles a year with a range of 300 kilometers and has at least 12 launchers near the truce line. There are another 12 mobile launchers 40 to 50 kilometers north of the Demilitarized Zone.

North Korea has reportedly deployed approximately 30 SA-5 surface-to-air missiles with a 300-km range purchased from the Soviet Union, and can produce more than 100 SA-7 surface-to-air missiles with a 5-km range every year.

Production lines for surface-to-surface missiles were built in the vicinity of Pyongyang in 1987 and turn out more than 50 Scud-B's a year. Pyongyang began test firings in 1984 and modified the Scud-B's in 1988 to double the range to 600km.

Daily Urges Nuclear-Free Zone on Peninsula

SK0306072291 Seoul CHOSON ILBO in Korean 3 Jun 91 p 3

[Editorial: "North's Nuclear Development Should Be Stopped"]

[Text] Rarely have our people entered such a dangerous phase as now. By dangerous phase, we mean the nuclear issue. Since 6 August 1945, the day an atomic bomb was dropped on Hiroshima, mankind has maintained that never again must the atomic bomb be used. Despite this antinuclear argument, nuclear bombs have continued to increase in both quality and quantity.

The United States and the Soviet Union have manufactured nuclear weapons on the excuse of providing mutual deterrence while France, China, and India did the same largely driven by national self-respect. Nowhere has there been any deterrence to the nuclear proliferation by these countries. Although the two nuclear superpowers, the United States and the Soviet Union, have continued negotiations designed to control nuclear weapons since the fifties, nuclear proliferation has never stopped.

Luckily, the Nuclear Nonproliferation Treaty was signed in 1968. However, France, China, Israel, and South Africa did not sign the treaty on grounds of national security. Later, Korea once assumed nuclear development as its national goal for the purpose of providing national security, but had to give up in the face of international pressure.

North Korea is now trying to join the ranks of nuclear powers. In particular, when former Soviet Foreign Minister Shevardnadze made a visit to Pyongyang last September, Kim Yong-nam, North Korea's vice premier and foreign minister, was reported to have said that North Korea would embark upon nuclear development on its own should South Korea and the Soviet Union normalize their diplomatic relations.

Few believed that North Korea meant what it said. With many saying this and that about North Korea's declaration, the Japanese daily SANKEI SHIMBUN, quoting U.S. intelligence sources, said the other day that North Korea has already completed nuclear reprocessing facilities which enables it to manufacture nuclear bombs and that the United States had strongly demanded that North Korea stop its construction.

We hope these reports are not true. If, however, they turn out to be true, things are more serious than expected. Some other reports say that North Korea, following its declaration that it would apply for a UN seat, is likely to allow a nuclear inspection by the International Atomic Energy Agency. This notwithstanding, the two nuclear reactors of different sizes in Yongbyon and nuclear reprocessing facilities now in construction weigh heavy on our minds.

Mankind, after making the mistake of having produced and put to practical use nuclear bombs, has made every effort possible not to repeat the same mistake, including the Nuclear Nonproliferation Treaty, reduction and banning of nuclear tests, and the abolition of the Intermediate Nuclear Forces and have attained some minor successes. Since a complete abolition of nuclear weapons is hard to achieve, we can only hope for the creation of nuclear-free zones in regions. The ROK and the United States need to make a first move to keep North Korea from developing its own nuclear weapons on its own, not by way of a preemptive strike, but by way of declaring a nuclear-free zone on the Korean peninsula.

South, North Urged 'To Meet Half Way'

SK0106071491 Seoul YONHAP in English 0557 GMT 1 Jun 91

[Text] Pusan, South Korea, June 1 (YONHAP)—Opposition leader Kim Tae-chung called on South and North Korea to meet half way for unification of their divided country Saturday, with Pyongyang allowing open contact with the South and Seoul abolishing its National Security Law.

Kim also urged the government to heed North Korea's concerns about the presence of U.S. troops in the South, and accept the Pyongyang-proposed non-aggression pact.

The president of the main opposition New Democratic Party (NDP) was in Korea's second largest city for a rally "to end President No Tae-u's security-oriented rule."

The rally, similar to one in Seoul on Friday, is connected with the June 20 local elections, where Kim's party is challenging the ruling camp in a test of public support.

An advance text of Kim's speech said South and North Korea must make U.N. entry an opportunity for sincere cooperation and reconciliation and remove one by one the obstacles along the way.

"North Korea must first erase its Workers (communist) Party regulation that it seeks a socialist system for the entire Korean peninsula, and it must scrap laws prohibiting contact with South Korea," Kim said.

Asking for "bold opening" of North Korean society, he demanded it allow international inspection of its nuclear facilities.

South Korea, on the other hand, must modify its National Security Law, he said. The law categorizes North Korea as an enemy state and prohibits any unauthorized contact.

"Immediate cross-recognition of South and North Korea is realistically difficult, but we cannot keep regarding Pyongyang as an enemy of the state," Kim said in his speech.

The opposition leader flatly denied allegations that his party accepted bribes in return for nominations in the June 20 elections.

"We will return all resignations submitted by our party members , and I can assure you there were no bribes of any form involved in the nomination process," he said.

Three NDP members had left the party as of Friday, accusing the leadership of selling party nominations.

Official Views National Security Law Revision

SK0106020291 Seoul YONHAP in English 0140 GMT 1 Jun 91

[Text] Seoul, June 1 (YONHAP)—The government will not revise the National Security Law, which defines North Korea as an anti-state organization, when North Korea joins the United Nations, unless Pyongyang fundamentally changes its policy toward Seoul, an official at the Justice Ministry said Saturday.

The official was commenting on calls for the law to be overhauled in anticipation of the simultaneous and separate entry by South and North Korea into the global body.

Noting that many U.N.-member nations have hostile relations or are currently at war with each other, the official said North Korea's joining of the world body would not immediately lead to recognization of South Korea as a state, peace on the Korean peninsula or withdrawal of its "one-Korea policy."

Saying that North Korea should be regarded as a nation simply because it belonged to the United Nations was a leap of logic and a hasty estimation, he said.

It was natural, however, for several other laws concerning North Korea to be overhauled when Pyongyang undertook concrete peace-keeping activities, he added.

Ministry Says No Possibility of UNC Abolition

SK0106050591 Seoul KBS-1 Radio Network in Korean 0300 GMT 1 Jun 91

[Text] The ROK Government today reacted to media reports that the planned North-South Korean simultaneous UN admission will result in the disbanding of the United Nations Command [UNC] in the ROK. In a Foreign Ministry statement, the government denied this possibility, saying that the presence of the UNC has nothing to do with the North-South Korea UN admission on legal terms.

In the statement, the Foreign Ministry said that the UNC was formed at the resolution of the UN Security Council dated 7 July 1950, right after the Korea war broke out; that, as a signatory of the 1953 Armistice Agreement, it has played the role of executing this agreement; and that it will remain until a new systematic device replaces the Armistice Agreement.

Government To Seek Economic Accords With North

SK0106013591 Seoul KOREA DAILY in English 1 Jun 91 p 2

[Text] The government intends to energize economic exchanges with the North, capitalizing on the North's apparent policy change as shown in their recent decision to join the United Nations.

Government officials said yesterday that as an initial step, Seoul will seek to resume the South-North economic meeting stalled since 1985, in which, they said, the South tried to conclude a set of inter-Korean economic agreements.

"Once the meeting resumes, the two sides could also discuss the possible exchange of permanent liaison offices to handle economic and other matters of cooperation," one of the officials said.

The economic agreements being eyed include those on travel, communications and trade, on settlement accounts, and on the exchange of surplus goods.

Even before the conclusion of a trade agreement, they said, the South hopes to have barter trade involving surplus items—daily necessities and some electrical home appliances from the South and mineral goods and farm products from the North.

The officials said that in this connection, the government seeks to have South-North exchanges recognized internationally as "internal trade" as were inter-German material exchanges in the past.

In addition, the government seeks to increase the Inter-Korean Cooperation Fund from the present 25 billion won (34.4 million dollars) to 1 trillion won.

It may also consider offering economic cooperation funds to North Korea and guaranteeing the North's external trade payments, the officials said.

Majority Polled Welcome North's U.N. Entry

SK0306014091 Seoul YONHAP in English 0119 GMT 3 Jun 91

[Text] Seoul, June 3 (YONHAP)—The majority of South Koreans welcome North Korea's decision to join the United Nations under separate membership, but do not see it as a sign of fundamental change, a polling organization reported Monday.

The poll conducted for the Information Ministry found 83.8 percent of the 513 adults randomly sampled across the country, except for Cheju Island, welcomed North Korea's joining the United Nations. The other 16.2 percent were opposed or reserved judgment.

Nearly 70 percent of the pollees said they viewed North Korea's decision as a tactical maneuver to escape current economic and political difficulties, according to the Research and Research, a polling firm. Only 22.6 percent said it was a fundamental change in strategy toward South Korea.

Korea was divided into the capitalist South and communist North at the end of World War II in 1945. The two sides fought a three-year war from 1950-53 and have since remained adversaries.

South Korea has long argued for recognition of the status quo and simultaneous yet separate admission of the two Koreas into the United Nations, but North Korea rejected the idea and adhered to a "one-Korea" policy. In a surprise announcement last week, North Korea said it would seek U.N. membership separately from South Korea.

Asked if North Korea's decision could be counted as a victory for South Korea's northern policy of improving relations with communist countries, 56.3 percent said "yes" and 30.6 percent said "no."

Major factors behind the decision were cited as "the establishment of diplomatic relations between Seoul and Moscow and the April 20 summit between Presidents No Tae-u and Mikhail Gorbachev," "the change of attitude on the part of North Korea's allies regarding U.N. membership," and "the worldwide support for South Korea's bid for separate membership."

Research and Research reported that 70 percent said North Korea's presence in the world body would contribute to easing tension on the Korean peninsula.

While 53 percent said North Korea would observe the U.N. Charter once it was admitted to the organization, 45.6 percent said it would not. The rest said they did not know.

Seoul To Propose Panmunjom Opening on Holidays

SK0306043291 Seoul YONHAP in English 0417 GMT 3 Jun 91

[Text] Seoul, June 3 (YONHAP)—South Korea, in an effort to promote personnel exchanges with North Korea, plans to propose opening the truce village of Panmunjom and allowing free travel between the two halves on Aug. 15, the 46th anniversary of Korea's liberation from Japanese rule, a government official said Monday.

It also plans to propose regularizing of exchanges of South and North Koreans on traditional holidays such as Lunar New Year's Day and Chusok, the eighth full moon by the lunar calendar, he said.

The South will urge the North to resume inter-Korean high-level talks this month, and if it agrees the government will propose expanding exchanges of people with relatives in the other part of Korea before the two Koreas are admitted to the United Nations.

The government will also propose full-fledged coming and going of Koreans between the two sides for a certain period around national Liberation Day in the fourth round of high-level talks.

The proposals are expected to be contained in a package South Korea will unveil on Liberation Day. The government hopes Pyongyang's decision to join the United Nations would be reflected as a change in its attitude toward Seoul.

The third and last high-level talks, headed by the prime ministers of the two sides, were held in Seoul in December. The fourth meeting was to be held in Pyongyang in February, but North Korea suspended it to protest the annual South Korea-U.S. "Team Spirit" military exercises.

Firm Denies Caltex Against Oil Sale to North

SK3005005991 Seoul KOREA DAILY in English 30 May 91 p 12

[Text] A spokesman for Honam Oil Refinery denied yesterday a local report that its American partner, Caltex, has objected to the company selling diesel oil to North Korea. Caltex has a 50 percent stake in Honam Oil Refinery.

"Caltex merely expressed its regret that it had not been informed in advance of such a deal," the Honam spokesman said. The American company, according to him, asked Honam to notify it of any such trading in the future.

Sales of high-sulfur diesel to Laos and North Korea were banned by a U.S. domestic law, according to the spokesman.

He further added that Honam, not Caltex, has managerial authority over what the joint venture company will do or not do.

Local newspapers reported that Caltex has complained about Honam's shipment of 29,800 barrels of high-sulfur diesel worth 1.4 million dollars to North Korea last month.

It complained, according to the news accounts, on the grounds that the fuel is a strategic item subject to the rules of COCOM (The Coordinating Committee for Multilateral Export Controls).

It was the first time since the division of Korea in 1945 that a South Korean refined oil product was sold to the North.

The report relating to COCOM was also disregarded by the Honam official.

It might not be wide of the mark to presume that both companies attach little importance to this case as the volume of oil was so little. Yet, it might be a different situation if the volume expands to a substantial amount.

Asked what will happen if the U.S. partner strongly opposes such trade if the volume increases, the Honam official refused to comment. Instead, he merely said that the company does not want to be pitted against its longtime partner.

Caltex officials were not available for comment on this matter.

Memorandum Signed With U.S. on Fighter Program

SK0306085391 Seoul YONHAP in English 0836 GMT 3 Jun 91

[Text] Seoul, June 3 (OANA-YONHAP)—South Korea and the United States initialed a memorandum of understanding on the 5.2 billion U.S. dollar Korea Fighter Program outlining purchase of 120 F-16 Fighting Falcons from General Dynamics [GD], the Defense Ministry announced Monday.

Working-level negotiations on the memorandum was concluded and initialed May 30 between the governments, and official contract may be signed around November after an approval from the National Assembly, the ministry said.

The memorandum includes a three-stage buying schedule from 1994 to 1999, starting with a purchase of 12 finished F-16s between 1994 and 1995. Second stage calls for assembling 36 jet fighters with U.S.-supplied kits between 1995 and 1997 and coproduce 72 under license from General Dynamics between 1996 and 1999, according to the ministry.

Offset, both direct and indirect, was set at 30 percent, and the level of licensed production and technology transfer will be similar to the one agreed between South Korea and the original contractor McDonnell Douglas, the ministry said.

Details, however, will go through further negotiations, it said.

The government announced last March 28 it chose GD's F-16 over the original contractor McDonnell Douglas, citing cheaper price.

Talks have been continuing since late March on detailing the terms of the contract.

No Tae-u Plans Visit to U.S., Canada 1-5 Jul

SK0306012891 Seoul YONHAP in English 0110 GMT 3 Jun 91

[Text] Seoul, June 3 (OANA-YONHAP)—South Korean President No Tae-u will make state visits to the United States and Canada for summits with U.S. President George Bush and Canadian Prime Minister Brian Mulroney, presidential spokesman Yi Su-chong announced Monday.

No will leave Seoul on June 29 for San Francisco, arriving in Washington on July 1, Yi said. He will meet with Bush on July 2 and leave for Ottawa the following day.

No will meet with Mulroney on July 4 and fly to Vancouver, British Columbia, before returning to Seoul on July 7.

In the Seoul-Washington summit, the fifth since No took office in February 1988, the two heads of state will discuss the fast-changing international political climate and post-Gulf war world order, and measures for building peace and stability on the Korean peninsula and in Northeast Asia, Yi said.

Strengthening bilateral ties and regional cooperation between Asia and the Pacific will be main issues in the talks with Mulroney, he said.

No's North American trip follows North Korea's surprise announcement last week that it will seek separate United Nations membership from South Korea. It is also the first meeting since the Seoul-Moscow summit April 20, when Soviet leader Mikhail Gorbachev proposed an amity pact between the two countries. U.N. application by South and North Korea, North Korea's alleged nuclear capabilities and Seoul-Washington trade issues are likely to be covered at the No-Bush meeting.

No's itinerary in the United States includes giving a lecture at Stanford University on South Korea-U.S relations, meetings with Koreans living in Washington, and a visit to Arlington National Cemetery.

He will meet with Vice President Dan Quayle and leading members of Congress, and Bush will host an official dinner for No after their summit.

While in Canada, No will attend a dinner given by Mulroney after their summit and fly the next day to Vancouver, where he will meet with Korean residents.

No is the third South Korean president to make a state visit to the United States. The last was President Pak Chong-hui in 1965. No was officially invited by Bush, Canadian Governor-General Ramon Hnatyshyn and Mulroney.

Seoul To Ask Regular Summits With U.S., Japan

SK0306133891 Seoul YONHAP in English 1304 GMT 3 Jun 91

[Text] Seoul, June 3 (YONHAP)—The South Korean Government will seek to have summit talks with the United States and Japan on regular bases from next year in an effort to beef up its readiness to cope with the fast changing international situation and consolidate existing ties with the two traditional allies, a well-placed Foreign Ministry official said Monday.

President No Tae-u's scheduled state visit to the United States on July 1 would serve as a cornerstone for Seoul's bid to make the summit diplomacy an annual event, the official said on condition of anonymity. He added the summit talks could be held alternately in Seoul and Washington.

Since 1988 when No took office, there has been at least one meeting between the top leaders of South Korea and the United States, which means the summit meeting between the two countries has already become a virtual annual event, he said.

"The government will sound out the George Bush administration about making annual summit meetings a customary practice between the two countries. The cases of Canada, Mexico and other European nations can be cited as precedents," he said.

"The government also sees it desirable for Korea to have similarly routine summit talks with Japan. Discussions are underway through high-level diplomatic channels to materialize annual summit talks," he added. He said Korea had received a positive answer from Japan.

1945 Killing of Koreans in Sakhalin Revealed

SK0306075191 Seoul YONHAP in English 054 GMT 3 Jun 91

[Text] Kholmsk, U.S.S.R., June 3 (YONHAP)—Declassified Soviet intelligence documents show that the Japanese killed up to 27 Koreans, including women and children, on Sakhalin Island in the Soviet Far East just days after Korea was liberated from Japan in 1945.

The top secret files, which only recently came to light in Kholmsk, a town on the west coast of Sakhalin, include photographs of the victims, the results of an investigation into the slaughter of the Koreans and the outcome of post mortems and trial records.

The killings took place between Aug. 20 and Aug. 23. Korea was liberated from 35 years of colonial rule on Aug. 15, 1945.

Twenty-five Japanese soldiers and civilians killed the Koreans, including women and children, for fear that they would turn on them once the Soviet Army reached Sakhalin, the files say.

Seoul Supports Bush's Mideast Arms Proposal

SK3105072691 Seoul YONHAP in English 0618 GMT 31 May 91

[Text] Seoul, May 31 (YONHAP)—South Korea welcomes U.S. President George Bush's Mideast arms control proposal and hopes it will contribute to securing a lasting peace in the region through effective control and reduction of arms, Foreign Ministry Spokesman Chong Ui-yong said Friday.

Korea has consistently supported international arms control to prevent proliferation of weapons of mass destruction, Chong said.

Saudis Asked To Aid Korean Construction Firms

SK2605015991 Seoul THE KOREA TIMES in English 26 May 91 p 8

[Text] Energy-Resources Minister Yi Hui-il called upon Saudi Arabia to help Korean construction companies win more contracts in the Middle East country, the Energy-Resources Ministry said yesterday.

Meeting Saudi Oil Minister Hisham Nazir in Riyadh Saturday, Yi asked for his cooperation in giving priority to Korean construction firms in the battle to win construction projects.

The ministry said Yi's request was made in exchange for Korea's approval of a Korean-Saudi joint oil company recently.

Yi is now in Saudi Arabia on his way to Isfahan, Iran, where he is scheduled to deliver a keynote speech at an international energy conference.

Yi also discussed with Nazir ways of stockpiling crude oil jointly by Korea and Saudi Arabia, ministry officials said.

Week-Long Chinese Trade Exhibit Opens 23 May

SK2405014491 Seoul THE KOREA HERALD in English 24 May 91 p 6

[Text] A Chinese trade exhibition opened at the Korea Exhibition Center, southern Seoul, yesterday for a week-long run.

On display at the industrial fair, organized by the China Chamber of International Commerce (CCOIC), are about 3,000 products from 84 Chinese firms.

Among the items which attracted visitors' interests at the display, the first ever in Korea, were petrochemicals, metallurgy, nonferrous metals, construction materials, textiles, herb medicines, and light industrial products.

The trade fair, officially called "CCOIC Trade Exhibition," is expected to further boost bilateral trade, said officials at the Korea Trade Promotion Corp.

Early last month, a number of Korean business enterprises participated in an international trade exhibition in Beijing, drawing considerable interests from local firms and people.

KOTRA and CCOIC agreed last October to set up trade representative offices in each other's capital. Seoul established one in Beijing in January, and Beijing set up Seoul trade office last month.

The Korea-China trade, which first begun as a small indirect trade in the early 1980s, grew to $3.1 billion in

1989 and to $3.8 billion last year, compared with the two-way trade of $700 million between China and North Korea. In addition, Korean firms' investments in China have amounted to $80 million for 66 projects at the end of 1990.

A 16-member Chinese delegation led by CCOIC Chairman Zheng Hongye flew into Seoul Wednesday to attend the tape-cutting ceremony. The Chinese mission is also scheduled to meet ranking Korean officials to promote bilateral economic cooperation.

Also on hand at yesterday's opening ceremony were Yi Son-ki, KOTRA president, Chong Chu-yong, founder and honorary chairman of Hyundai Business Group, and Xu Dayou, head of the Chinese Trade Representative Office in Seoul.

South, PRC Private Sectors To Discuss Flights

SK2505013591 Seoul YONHAP in English 0048 GMT 25 May 91

[Text] Seoul, May 25 (YONHAP)—The governments of South Korea and China will not discuss opening direct air routes, leaving it up to the private sector, sources at the Korean Transportation Ministry said Saturday.

China refused to hold inter-governmental negotiations over direct flights during three-day working-level talks in Beijing last week, they said.

It was agreed that Korea's two private airlines, Korean Air and Asiana Airlines, will negotiate with the Civil Aviation Administration of China (CAAC) on opening direct air routes between Seoul and Beijing, operating chartered flights between the two countries and Korean access to Chinese airspace.

The Korean carriers ran charter flights between Seoul and Beijing for the 24th Summer Olympiad in Seoul in 1988 and the 11th Asian Games in Beijing in 1990.

Korea ardently hoped to open direct air routes between Seoul and Beijing, but China refused to discuss it, apparently due to North Korea's displeasure.

Economic relations between South Korea and China, one of the strongest allies of the communist North, have been expanding rapidly in the last few years despite the absence of diplomatic relations.

The Soviet national flag carrier, Aeroflot, has repeatedly asked Korea to let it fly Moscow-Beijing-Seoul instead of the current Moscow-Shanghai-Seoul line and Korea asked China to cooperate, but to no avail.

The Soviet Union, another staunch ally of North Korea, normalized ties with South Korea on Sept. 30 last year, provoking anger among the North Korean leadership. Direct air routes linking Seoul and Moscow opened before normalization and contributed to advancing formal ties, ministry sources said.

They said the ministry would not award any foreign airline beyond rights from China to Seoul before regular air routes were opened between China and South Korea.

Imports of Chinese Cement Ease Target Shortfall

SK3105034391 Seoul THE KOREA ECONOMIC JOURNAL in English 27 May 91 p 2

[Text] Korea is experiencing sizable difficulties importing cement this year.

According to industry sources, at present, only China is exporting cement. Furthermore, a shortage of cement on the overall world market is making it more difficult for Korea to secure a sufficient volume of cement.

As a result, imported Chinese cement is being priced higher despite its lower quality than Korean-made cement.

Previously, the government had planned to import 3 million tons of foreign-made cement during the first half of the year in order to resolve a shortage of cement on the domestic market.

However, it seems impossible to attain the import target because the nation's cement imports totaled only 1.48 million tons as of May 22.

This shortfall in imports is because several countries in Southeast Asia and the Middle East, which exported cement last year, have become cement importers this year.

Last year, Korea imported cement from numerous foreign countries, including China, Indonesia, Saudi Arabia, Syria, Jordan, the U.A.E., Iran, Hong Kong, North Korea, Romania and Turkey.

This year, Thailand, Taiwan, the Philippines, Indonesia and Malaysia plan to import 4.5 million tons, 1.3 million tons, 1 million tons, 120,000 tons and 100,000 tons, respectively, of cement from China. Consequently, a shortage of cement on the Asian market is expected to reach 3.4 million tons this year even if China increases its cement exports to the maximum extent.

As its cement exports are rising sharply, the Chinese government reportedly has introduced an export licensing system to restrict cement exports, another reason why Korea is experiencing difficulty importing cement.

The current market price of Chinese-made bulk cement is 54,000-55,000 won per ton, about 10,000 won per ton more than Korean-made bulk cement.

Date Agreed for Commercial Pacts With China

SK0106025091 Seoul HANGUK ILBO in Korean 1 Jun 91 p 1

[Text] It was learned on 31 May that the ROK and China have agreed to sign the investment guarantee agreement, the double-taxation prevention agreement, and the trade agreement at an earlier date and to begin working negotiations in June.

Accordingly, the ROK Government has decided to send officials of the Foreign and Finance Ministries to Beijing some time in June to hold working negotiations.

A high-ranking Government source said: "The Chinese Government had been lukewarm about negotiations to sign the three agreements. Changing its attitude in early May after Premier Li Peng visited North Korea, China strongly expressed its hope to sign the agreements." He also said: "I know that China and the ROK trade representative office in Beijing have agreed that the two countries will sign the three agreements at an earlier date."

The source continued: "China changed its attitude because China had been certain that North Korea would accept its recommendation on the North-South Korean simultaneous UN admission." He also said: "China's change of attitude toward the ROK and that of the situation in our vicinity may likely lead to the establishment of diplomatic relations between the ROK and China at an earlier date."

PRC Official Sees Future ROK Sports Accord

SK0306074991 Seoul YONHAP in English 0638 GMT 3 Jun 91

[Text] Seoul, June 3 (OANA-YONHAP)—It could take some time to conclude an official sports exchange agreement between South Korea and China, though bilateral sports exchanges recently became active, He Zhenliang, vice president of the International Olympic Committee (IOC), said Monday.

"The agreement, to be signed by the two NOCs [national olympic committee], needs time for it would be preceded by many preliminary contacts," said he, who is also president of the Chinese National Olympic Committee.

"The matter is up to situations surrounding the Korean peninsula and the improvement in Korea-Chinese ties," said the Chinese official, who arrived here Sunday as the guest of Korean IOC member Kim Un-yong.

One purpose of his visit is to express gratitude for the efforts made by Korean sports and business groups in helping China to host the Asian Games successfully last year.

Another is to ask for the transfer of sports experience gained from hosting the Asiad in 1986 and Olympiad in 1988 as China hopes to host the Olympic Games in 2000.

"In case China will be able to finally host the world sports gala, I hope Korean businesses will help it by becoming sponsors just as they did during the Asiad," he said.

During the Asian Games, South Korean businesses donated hundreds of cars and other equipment and know-how, along with becoming sponsors, to impress the Chinese, who they believe have the biggest buying potential in the years to come.

During his stay, he said he would meet with tycoons and heads of sports organizations to strengthen mutual friendly ties. He already met with Kim Sung-yon, who is both president of the Korea Amateur Boxing Federation and chairman of the Korea Explosives Group.

China has not decided whether to apply for hosting the World Cup in 2002, the ranking Chinese sports official said.

Technological, Trade Ties With USSR Explored

SK2205013491 Seoul THE KOREA TIMES in English 22 May 91 p 8

[Text] Commercialization of 48 Soviet advanced technologies will be pushed through joint research as a form of economic cooperation with the Soviet Union, the Economic Planning Board [EPB] said yesterday.

Processing of diamond and development of sophisticated automobile brakes are included in the list of 48 technologies subject to commercialization.

Setting policy directions for future Korea-Soviet economic cooperation, the EPB said research priorities will be screened for earlier commercialization and a basic plan will be set up to calculate costs of joint development and fund raising.

These will be discussed at a conference of Korea-Soviet science and technology ministers to be held soon, probably in June, and EPB official said yesterday.

The Korea-Soviet science and technology cooperation center installed at the state-run Korea Institute for Science and Technology (KIST) will gather information on Soviet technologies and research institutes possessing the technologies to actively cooperate with the work.

Additional information on Soviet technologies and experts will also be collected from international organizations, including the United Nations Industrial Development Organization (UNIDO).

Meanwhile items and export outlets for $800 million worth of commodity-tied loans to the Soviet Union envisaged for this year will be finalized by the end of this month.

In January this year, Korea agreed with the Soviet Union to provide $3 billion in economic cooperation loan for the three years to 1993 in order to aid its development.

The $800 million worth of commodity-tied loans is a part of the $1.5 billion to be loaned out in consumer goods to the Soviet Union by 1992.

The government will also complete detailed guidelines on the support of banks and businesses involved in the commodity-tied loans to the Soviet Union by the end of this month.

Soviet officials and Trade-Industry Ministry official have been discussing the volume of individual export items and other details in Seoul.

To ease financial shortages at the Export-Import Bank of Korea in connection with the tied loans, export-import financing bonds will be issued equivalent to 15 percent of the total to be paid to large businesses and 8 percent of the total to be paid to small-and medium-sized exporters. The bonds will be repayable in two years.

The government will also raise funds from overseas borrowing and extra budget to be drawn up in the latter half of this year to solve the shortage brought on the tied loan.

For smooth transport of the consumer goods to be shipped to the Soviet Union under the loans, the government will open a direct sea route between Pusan and Vostochny as early as possible. Korea and the Soviet Union will consult further to expand stevedoring facilities in Vostochny in the Soviet Far East and to secure enough marine containers.

A Korea-Soviet joint council for economic, science and technology will be established under the chairmanship of deputy premier-level officials to set up overall guidelines for economic cooperation directions in the future.

Meanwhile a preliminary feasibility study will be made to develop natural gas in Sakhalin Island by the end of this year based on a comprehensive analysis of technical problems, economic value and influence on neighboring countries.

The government is at the same time striving to conclude a bilateral fisheries pact which has been delayed since its initialing agreement late last year. Fish processing will be included in the list of joint investment projects which are beneficiaries of the deferred payment loans to the Soviet Union.

As a medium- and long-term goal, the government will put the emphasis on regional and sectoral cooperation in the economy and will seek ways to launch full-scale development projects.

South To Undertake Study on Soviet Natural Gas

SK2205064491 Seoul YONHAP in English 0528 GMT 22 May 91

[Text] Seoul, May 22 (YONHAP)—South Korea will undertake a preliminary feasibility study on exploiting natural gas on the Soviet island of Sakhalin by June as part of its economic cooperation with the Soviet Union.

The study will basically be a comprehensive analysis of the technical problems, economic value and impact on neighboring nations, officials at the Economic Planning Board (EPB) said Wednesday.

The government will draw up plans for extraction of the gas based on the results of the study, including how to select participants, and plans for development, transportation, marketing and financing, they said.

It will finalize by the end of May the items and export outlets for 800 million U.S. dollars of tied loans to the Soviet Union this year.

Korea has agreed to provide the Soviet Union 3 billion dollars in economic cooperation funds for the three years to 1993 to aid its development.

The tied loans are part of 1.5 billion dollars in consumer goods to be lent to the Soviet Union by 1992.

To ease the cash shortage of the Export-Import Bank of Korea caused by the tied loans, export-import financing bonds will be issued for 15 percent of the total to be paid to large businesses and 8 percent of the total to be paid to small and medium-sized exporters.

The government will induce businesses to invest in the Soviet Union in areas that earn foreign exchange and in small projects.

It also will push ahead with collaboration between Korean and foreign firms in investing in the Soviet Union and maintain cooperative ties with Western countries and international organizations in implementing Korea's economic cooperation with the Soviet Union.

For smooth transportation of consumer goods, Seoul and Moscow will discuss expansion of stevedoring facilities at Vostochny in the Soviet Far East, securing enough containers and early opening of a direct sea route to the Soviet port.

Korea will push commercialization of 48 advanced Soviet technologies through the Korea-Soviet science ministers' meeting and cooperation with groups such as the U.N. Industrial Development Organization.

The government will push ahead with a plan for a Korea-Soviet Joint Council for Economic, Science and Technology chaired by deputy-premier-level officials of the two countries and hold the first meeting in the first half of 1992.

Petrochemical Firm Signs Accord With Soviets

SK2605014791 Seoul THE KOREA TIMES in English 26 May 91 p 8

[Text] Kumho Petrochemical, a subsidiary of the Kumho Group, has entered into an exclusive agency agreement with SIA INVACO, a Soviet scientific-industrial association.

The agreement was signed by Yun Nok-hyon, vice president of Kumho Petrochemical, and INVACO President Yevgeniy A. Vikhrov in Seoul Thursday.

According to the contract, Kumho will represent INVACO in Pacific Rim countries for the sale and transfer of petrochemical technologies as well as the importation of petrochemicals, specialty chemicals and related machinery from the Soviet Union.

On the other hand, INVACO will represent Kumho Petrochemical in the Soviet Union.

INVACO is formed by Soviet research institutes, enterprises and the Ministry of Chemicals and Oil Refining.

It is responsible for sales and licensing of petrochemical technologies.

As INVACO's agent, Kumho Petrochemical will hold a seminar on behalf of INVACO and the Soviet Ministry of Chemicals and Oil Refining in Seoul in November for the promotion of licensing various petrochemical and specialty chemical technologies and processes developed by the Soviet Union.

Yonsei, Moscow Universities Research Proposed

SK3005090791 Seoul THE KOREA ECONOMIC JOURNAL in English 27 May 91 p 29

[Text] The Engineering College of Seoul's Yonsei University has proposed a joint research project on four research themes with Moscow University, according to Yonsei University, according to Yonsei University sources.

The proposal reportedly was put forth to president Anatoly Logunov of Moscow University when he visited Seoul's Yonsei University recently.

The four research themes are new synthetic materials development under microgravity; information exchange and joint study in architecture and urban planning by Korea and the Soviet Union; development of damping materials for micro-vibration control in the semiconductor industry; and the development of microwave ceramic resonators, the sources said.

The joint development of new synthetic materials under microgravity is estimated to cost about 300 million won over two years. This project will also be participated in by the Korea Aerospace Research Institute and the USSR Federal Space Research Institute, the sources said.

For a one-year period, 100 million won will be spent on development of damping materials for micro-vibration control in the semiconductor industry, the sources said.

Over three years, a total of 400 million won will be used for development of microwave ceramic resonators.

The two higher learning institutions will also promote information exchange and joint study in architecture and urban planning, the sources said.

Once the two sides reach an agreement on these joint research themes, they will start joint research projects immediately, the sources added.

Samsung Forms Venture To Invest in USSR Oil

SK3005085891 Seoul THE KOREA ECONOMIC JOURNAL in English 27 May 91 p 18

[Text] Samsung Co. will invest $3 million in the expansion project of four oil fields in the USSR's western Siberia to win a 25-percent equity share, business sources said.

The expansion project will be undertaken by MD-SEIS, a joint-venture firm established by the USSR's ministry of oil industry and PGI (expansion unknown] of the United States, in accordance with a technical licensing contract signed with Dynacraft of the United States.

Samsung Co. late last year exchanged a letter of intent with PGI and initialed a contract with MD-SEIS, the sources said.

Samsung Co. invited a group of 11 Soviet officials and U.S. firm's representatives to visit Korea for a week-long period to finalize negotiations over the conclusion of the contract.

With Samsung's capital involvement and new technology from the U.S. firm, the daily output of the four oil fields will rise by 58,000 barrels from the current 578,000 barrels, the sources said.

The expansion project will increase the combined turnover by $37 million over the next three years, the sources said.

Of the increased profits, MD-SEIS will share 50 percent, and Samsung will take 25 percent of MD-SEIS' share, the sources said.

Samsung will make investment in the expansion project through IEC of the United States, which in turn will conclude a joint-venture contract with MD-SEIS. Samsung plans to incorporate IEC as its affiliate in the future, the sources added.

Soviet Investment Bill Termed 'Not New'

SK0106041391 Seoul YONHAP in English 0242 GMT 1 Jun 91

[Text] Seoul, June 1 (OANA-YONHAP)—The Soviet parliament's move to attract foreign investors is unlikely to inspire South Koreans to immediately expand their stake in the Soviet Union, business and Korea Trade Promotion Corp. sources said Saturday.

Before Korean businessmen commit any funds, they want to see the ruble made convertible, a unified foreign exchange system, liberalization of prices, non-monopoly of industrial sectors and abolition of dual taxation by provincial and federal governments, the sources said.

The Supreme Soviet on Wednesday adopted the first reading of a bill to allow 100 percent foreign ownership, repatriation of profits and guarantee the business-purpose use of rubles earned in the Soviet Union, tackling the biggest impediments to foreign investment.

Korean businessmen say the gist of the bill is "not new," and it is worthless without making the ruble convertible, most of the points having been made by Soviet President Mikhail Gorbachev last December.

Until the Soviet Union comes up with a detailed follow-up to the investment-related laws, expected before a meeting of the Group of Seven [G-7] leading industrialized countries in July, most Korean firms will hold off on investments, the sources said.

In addition, the about 30 million U.S. dollars the Soviet Union owes to Korean companies will also be a drag on investment sentiment, according to the sources.

One thing in the bill that might spur Koreans to action is a clause that gives foreign investors the right to develop Soviet natural resources.

This is a major step since the Soviet Government prohibited export of natural resources without approval by the federal government early this year, but the Koreans are waiting to see the contents of the enforcement regulations.

The bill was hurriedly tacked together for the G-7 meeting, so that Gorbachev can ask Western countries to pour capital into the Soviet Union on the basis of it, the sources said.

USSR's Laverov on Technological Exchanges

SK0306074791 Seoul YONHAP in English 0632 GMT 3 Jun 91

[Text] Seoul, June 3 (YONHAP)—The right mixture of the Soviet Union's basic science and South Korea's commercialization skills promised advancement for both nations, and science ministers' talks were the right forum to discuss this, a deputy prime minister-level Soviet researcher said Monday.

North Korea and the Soviet Union were also engaged in technological exchanges and would continue on the same course, said Nikolay Laverov, head of the Soviet State Committee for Science and Technology.

Soviet supply of technical help to build nuclear power plants had been halted, however, because of Pyongyang's refusal to open its nuclear facilities to international inspection, Laverov said.

Laverov arrived May 31 with a 10-member delegation for the first meeting of South Korean and Soviet science and technology ministers, which opened its five-day run Saturday.

The conference, one of the agreements in the science and technology cooperation pact signed last December in Moscow, will review and evaluate progress in joint projects over the last six months and outline future plans.

Joint research for commercialization of 48 sophisticated technologies and exchange of information and personnel are included in the Seoul talks.

A Korea-Soviet science and technology cooperation center is set to open at the Korea Institute of Science and Technology on Wednesday.

The Soviet Union spends approximately 10 percent of its GNP on scientific research, more than half of it in the civilian sector, and has 1.4 million researchers employed in more than 5,000 institutes, Laverov said.

The Soviet Union's achievements in basic sciences connected with South Korea's manufacturing skills will greatly contribute to the two nations' advancement, the 61-year-old Soviet said.

The direction of bilateral cooperation should be to commercialize in Korea the products of Soviet research, he said.

Laverov, known most for his expertise in developing uranium deposits, is vice chairman of the Soviet Academy of Sciences.

Korea's Trade With Socialist Countries Detailed

SK3105033291 Seoul THE KOREA ECONOMIC JOURNAL in English 27 May 91 p 11

[Text] Korea's two-way trade with communist and former communist countries is increasing sharply, government sources said.

During the first three months of this year, Korea's two-way trade with these countries amounted to $1,287,022,000, up 46.5 percent over the same period a year earlier.

Of this three-month total, exports accounted for $523,668,000, up 54.8 percent from a year earlier, nearly double the rate of increase in Korea's total exports during the first quarter of this year.

In the year's first quarter, Korea's trade with China reached $743,354,000 ($159,387,000 in exports and $583,752,000 in imports), up 42.2 percent over a year before.

Korea's trade with the Soviet Union amounted to $246,337,000 ($119,123,000 in exports and $127,214,999 in imports) during the year's first quarter, up 41.5 percent over the same period a year earlier.

Korea's trade with other communist and former communist countries such as Vietnam and Mongolia during the first quarter stood at $43,967,000 ($34,172,000 in exports and $9,795,000 in imports), up 46.1 percent from a year before.

Korea's trade with all communist and former communist countries which totaled $3,216,850,000 (up 42.7 percent from a year earlier) in 1989, rose to $4,639,290,000 (up 44.2 percent) in 1990, and this year's figure is expected to hit about $7 billion, the sources predicted.

Results of Negotiations With EC Reported

SK2505021291 Seoul YONHAP in English 0144 GMT 25 May 91

[Text] Seoul, May 25 (YONHAP)—Working-level negotiators for South Korea and the European Community [EC] have failed to agree on retroactive protection of intellectual property rights after a two-day discussion in Seoul.

Korea offered to protect material patents issued before 1987 until 1997 by administrative guidance, but the EC demanded protection to 2001.

Agreement was reached, however, on retroactive protection of 10 years for printed materials and seven years for computer software (the same treatment as for U.S. products). Korea and the United States agreed on retroactive protection in 1986.

It was agreed in principle to beef up technological and scientific cooperation between Korea and the EC.

Korea asked the EC to re-apply the generalized system of preferences [GSP] to Korean goods for four years, but was turned down. GSP favors were lifted in 1988.

Choi Hyuck, deputy director general of the Foreign Ministry's International Trade Bureau, led the Korean team, while Jose Borrell, head of the European Commission's Far Eastern Division, was chief of the EC side for the talks Thursday and Friday.

South To Negotiate Farm Products at GATT

SK1305103591 Seoul THE KOREA ECONOMIC JOURNAL in English 13 May 91 p 1

[Text] The government plans to modify its negotiation strategy for agricultural products at the Uruguay Round negotiation talks, except for rice.

This was revealed in documents submitted by the Ministry of Trade and Industry to the National Assembly on May 3.

Except for rice, two or three major items out of the 15 non-trade concerns (NTC) items will be added to the list of GATT-proposed items subject to minimum market access and abolition of agricultural subsidies. However, negotiations will be launched to exclude these items from the tariff reduction schedules.

According to the documents, negotiations will be conducted at the Uruguay Round talks in such a manner as to accept tariff reduction schedules for the remaining NTC items in conformity with developing countries.

In negotiations over the opening of the service industry, educational and public health services, trading business and legal services will be excluded from the concessional list Korea submitted to GATT in January this year, informed sources said.

In connection with the U.S. proposal calling for zero tariff rates for construction equipment, electronics products, iron/steel products, nonferrous metallic products, paper, lumber and pharmaceuticals, Korea will take part positively in the bargaining to enlist support of negotiating member nations for the time schedules, the sources said.

Malta's De Marco Departs Seoul 1 Jun

SK0106080191 Seoul YONHAP in English 0748 GMT 1 Jun 91

[Text] Seoul, June 1 (OANA-YONHAP)—Maltese Foreign Minister Guido de Marco left Seoul Saturday afternoon after winding up a three-day visit.

De Marco, also the president of the United Nations General Assembly, met with Foreign Minister Yi Sang-ok to discuss U.N. membership of South and North Korea and made a courtesy call on President No Tae-u on Friday.

Burma

World Bank Official Calls on Ministers

BK3105112591 Rangoon Burma Television Network in Burmese 1330 GMT 30 May 91

[Text] Mr. (Vibu Ershnanta), visiting World Bank executive director for Myanmar [Burma], paid a courtesy call on Vice Admiral Maung Maung Khin, minister for energy and mines, at the latter's office on Minye Kyawzwa Road at 1400 today.

The World Bank executive director also called on Lieutenant General Tin Tun, minister for transport, communications, labor, and social welfare, at the minister's office at 1500. Earlier, the visiting World Bank official called on Brigadier General Abel, minister for planning, finance, and trade, at the latter's office at 1100 this morning.

Air Force Chief Receives Indian Military Attache

BK2705151091 Rangoon Radio Burma in Burmese 1330 GMT 27 May 91

[Text] Lieutenant General Tin Tun, commander in chief of the Air Force, received Colonel (Arun Kumar Chopra), Defense Forces attache, from the Embassy of the Republic of India to the Union of Myanmar [Burma] at the Dagon Yeiktha Hall of the Defense Ministry at 1300 today.

Also present on the occasion were Colonel Than Tun, deputy director of Defense Services Intelligence, and Col. Hla Kyi, colonel of the Air Staff, Engineering Division.

Seven More Candidates Declared Disqualified

BK3105160191 Rangoon Radio Burma in Burmese 1330 GMT 31 May 91

[Announcement No. 928 of the Commission for Holding Multiparty Democratic General Elections, dated 31 May 1991]

[Text] Subject: Declaration of unsuccessful parliamentary candidates and their election agents who failed to submit election expenses as disqualified persons.

1. Parliamentary candidates who contested in the multiparty democratic general elections of 27 May 1990 and their election agents are required to submit election expense accounts in accordance with Article 81 of the Election Rules.

2. However, the candidates mentioned below had failed to submit the election expense accounts as required. Therefore, in accordance with Article 88-C of the Election Rules, the commission has declared them disqualified.

Names of unsuccessful parliamentary candidates and party organization:

A. U Kyi Win, the League for Democracy and Peace, Mogaung constituency
B. U Win Maung, Graduates and Old Students Democratic Association, Mohnyin-1 constituency
C. U Soe Win, Graduates and Old Students Democratic Association, Mohnyin-2 constituency
D. U Sai Hkam Leik, Shan Nationalities League, Dimawhso-1 constituency

Name of election agent: U Sai Hla Kyaw
E. U Thein Tun alias U Thein Toke, Chin National League for Democracy, Paletwa-1 constituency
F. U Hla Win, Union Nationalities Democracy Party, Kale-1 constituency
G. U Htang Kham Khai, Union Nationalities Democracy Party, Kale- 2 constituency

Name of election agent: U Cing Za Hau

3. The commission therefore declares parliamentary candidates and their election agents mentioned in Section 2 as unqualified persons, in accordance with Article 89 of the Election Rules. By the authority vested in me. Signed: Aye Maung, secretary

Effort Made To Get Aung San Suu Kyi To Leave

BK3105143891 Hong Kong AFP in English 1407 GMT 31 May 91

[By Erskine McCullough]

[Text] Bangkok, May 31 (AFP)—Political prisoners are having their jail sentences extended by the Burmese junta in a bid to pressure Aung San Suu Kyi into leaving the country and giving up politics, according to sources in Rangoon.

Ms. Aung San Suu Kyi, former head of the National League for Democracy (NLD), has been under house arrest for almost a year and refuses to leave the country.

The latest to have his sentence increased is U Tin U, former chairman of the NLD, which won the May 1990 elections by a landslide. His three year sentence has recently been increased to 17 years, according to one Rangoon resident.

The 65-year-old U Tin U, who became chairman of the NLD three years ago, was put under house arrest in 1989, and it was later revealed that he had been jailed for three years after a secret military trial.

News that U Tin U has had the sentenced increased to 17 years follows reports earlier this week that other NLD leaders will also spend more time in prison.

U Kyi Maung, recognised as the interim leader of the NLD after the elections, has had his 10-year sentence doubled, and acting secretary U Chit Khaing has had his seven-year term increased to 14 years.

"It begins to look more and more like a campaign to force Ms. Aung San Suu Kyi to leave the country," said one source.

"The deal seems to be, 'Leave the country, give up politics, and we will go easy on your political friends. If not...'. But she is a very stubborn woman. I doubt if it will work," he added.

Several previous attempts have been made by the Burmese military, including using a Buddhist abbot to act as go-between, to convince Ms. Aung San Suu Kyi to pack up and go.

Ms. Aung San Suu Kyi agreed, but laid down such stringent conditions for her departure that she knew the junta would not accept.

Earlier this month Major-General Khin Nyunt, the head of military intelligence, made a public appeal for Ms. Aung San Suu Kyi, 42, to rejoin her British husband and two children abroad.

BBC Interviews Head of Government-in-Exile

BK3105122091 London BBC in Burmese to Burma 1345 GMT 30 May 91

[Text] Dear listeners, you will now be able to listen to a BBC telephone interview conducted a few hours ago with Dr. U Sein Win, prime minister of the National Coalition Government of the Union of Burma [NCGUB].

[Begin recording] [Unidentified interviewer] Dr. U Sein Win, what responsibilities have you taken in the NCGUB?

[Dr. U Sein Win] I have taken the portfolios of prime minister, defense minister, and home affairs minister.

[Unidentified interviewer] Yes. What are the benefits of forming the NCGUB?

[Dr. U Sein Win] We, by forming the NCGUB from this end, are obviously exposing the SLORC [State Law and Order Restoration Council] as an illegitimate government.

[Unidentified interviewer] How many elected representatives from the elections held in Myanmar [Burma] are included and how many do they represent when that government was formed?

[Dr. U Sein Win] Presently there are 11 elected representatives and at the Mandalay-Yangon [Rangoon] meeting there were over 200 elected representatives.

[Unidentified interviewer] Yes. When you say this, do you imply that those elected representatives who number over 200 support your government?

[Dr. U Sein Win] No. At that meeting, about 200 elected representatives signed a statement giving us their support and mandate [preceding word in English] to do what is necessary.

[Unidentified interviewer] So, now that you have formed [the government] have any countries recognized your government?

[Dr. U Sein Win] At the present they have not recognized us. They do not recognize us but they have given us encouragement whenever they see us and say that they did not recognize SLORC because they are a government but because they are seated in Yangon.

[Unidentified interviewer] Yes. The SLORC government has been giving heavy jail sentences for high treason to the remaining elected representatives in Myanmar for conspiring to form a parallel government led by you. What is your comment on this?

[Dr. U Sein Win] They are passing unjust sentences. We planned this because they have refused to hand over power and this does not amount to treason.

[Unidentified interviewer] What programs and plans have you laid down for the future?

[Dr. U Sein Win] Yes. Our government has laid down three major tasks. The first task is to overthrow the SLORC military government, the second task is the convening of a broadly-based national convention, and the third task is to foster genuine democracy. We will try and accomplish these three major tasks in any way we can. We plan to achieve this through diplomatic, political, and military means.

[Unidentified interviewer] Yes. Now, it is already the first anniversary of the multiparty elections. What are your opinions on the refusal of the government to hand over power up to the first anniversary of the elections?

[Dr. U Sein Win] Firstly, we are sad because on the first anniversary of the elections a democratic country in Myanmar could not be created, a democratic government never emerged, and the peoples' desires were never fulfilled. On the other hand, we knew it right from the very beginning that the SLORC government was lying and deceitful. We participated in the SLORC sponsored elections just in order to expose their lies and deceit. Their lies have been exposed. Now, it has been one year and they still have not transferred power. They continue to terrorize the people and arrest and imprison the elected representatives. We are glad that the world is aware of this.

[Unidentified interviewer] Yes. The final question is, if the military government hands over power to a civilian government, what will become of your NCGUB?

[Dr. U Sein Win] Yes. From what we see, if they hand over power to a civilian government, they must hand it over to the NLD, because it is the NLD to which the people have given their mandate. They cannot transfer it to others. We see it that way. If they really have a goodwill, they must release Daw Aung San Suu Kyi, U Tin U, and all the other political prisoners and hand over power to the NLD.

[Unidentified interviewer] If they hand over power in that way then what will become of your government?

[Dr. U Sein Win] If they hand over power in that way, the new government will continue our government's three major tasks so I think there is no need for our government to exist.

[Unidentified interviewer] Yes. Thank you very much U Sein Win. [end recording]

Cambodia

Hun Sen Leaves for SNC Talks in Jakarta

BK0106054891 Phnom Penh SPK in French 0418 GMT 1 Jun 91

[Text] Phnom Penh 1 June (SPK)—Hun Sen, chairman of the Council of Ministers and head of the group of the State of Cambodia's representatives in the Supreme National Council [SNC], left this morning for a new round of talks on the settlement of the current conflict with the other six SNC members from the tripartite coalition.

The team is composed of Defense Minister Tie Banh; Foreign Minister Hor Namhong; Dit Munti, chairman of the Propaganda and Education Commission of the Kampuchean People's Revolutionary Party Central Committee; Deputy Interior Minister Sin Sen; and Im Chhunlim, deputy chief of cabinet of the party Central Committee.

The delegation was seen off by Bou Thang and Chea Soth, vice chairmen of the Council of Ministers, as well as other high-ranking officials.

The third round of talks of the SNC—an organ established within the framework of the UN peace plan with six personalities from the Phnom Penh government and six others from the tripartite coalition—will be held the mornings of 2 to 4 June in Jakarta.

French Deputy Foreign Minister Alain Vivien will cochair the meeting with the head of the Indonesian Foreign Ministry, Ali Alatas.

Prince Sihanouk, guest of Indonesian President Suharto, will not participate in the SNC talks because he is not a member of this organ, which was created last September in Jakarta to occupy Cambodia's seat at the United Nations and represent the country's sovereignty in the runup to general elections.

Khieu Samphan Interviewed on Jakarta Meeting

BK0106015691 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 31 May 91

[Interview with Khieu Samphan, head of the party of Democratic Kampuchea, by unidentified VONADK and VODK correspondents on 30 May—read by announcer]

[Text] [Correspondent] Respects to your excellency vice president. What is the objective of the 2 June meeting in Jakarta?

[Khieu Samphan] We will go to Jakarta at the invitation of the Paris conference cochairmen. The reconvening of the meeting is a success achieved by the Cambodian National Resistance [CNR], the Cambodian people, and the international community, all of whom want to implement the peace document of the five permanent members of the UN Security Council [UNSC] with a view toward ending the Vietnamese war of aggression against Cambodia, thereby restoring genuine independence and peace to the country. The Hanoi Vietnamese and the puppets do not want the meeting held because they have opposed the document and peace in Cambodia.

I wish to recall that at the Jakarta meeting in September 1990, the Vietnamese puppets announced their acceptance of the document. However, shortly after that they voiced their opposition. And at the Paris meeting in December 1990, the puppets also declared their approval of the document. Nevertheless, they objected to it immediately after that. Therefore, at this Jakarta meeting, it is imperative that all the parties officially and solemnly reaffirm their acceptance of the framework document dated 28 August 1990 and the draft agreement dated 26 November 1990. All should reassert this so as to reconvene the meeting of the Paris conference coordinating committee at which the four Cambodian parties and the 19 member countries of the Paris conference can jointly flesh out the implementation of the document.

[Correspondent] Now there are sufficient documents—the framework document, the draft agreement, and the UN Resolution 668. So why can't the Cambodian problem be resolved? What are the stumbling blocks?

[Khieu Samphan] There is one—and one only—obstacle to the settlement of the Cambodian problem and the restoration of peace in Cambodia: the Vietnamese aggressors continue to nurture their ambition of occupying the country forever in accordance with the Indochinese strategy. The documents are sufficient, but the Vietnamese and puppets have refused to accept them. On the battlefield, the Vietnamese continue their war of aggression and occupation of Cambodia. The Vietnamese and puppets have proclaimed that they want a cease-fire, but they keep fighting the Cambodian National Resistance forces in violation of the cease-fire.

I wish to point out that the Hanoi Vietnamese and puppets continue to endlessly raise problems one after the other—the cease-fire, the cessation of outside aid, and the so-called Khmer Rouge problem—and employ them as pretexts for opposing the documents and the overall supervision and control in Cambodia by a UN transitional authority and a UN peacekeeping force, specifically over the withdrawal of the Vietnamese aggressor forces from the country. Vietnam's goal is to preserve the puppet regime and army and use them as the front to hide its troops to occupy Cambodia forever according to its Indochinese strategy.

This is the root cause of the problem and the stumbling block to the settlement of the Cambodian problem, preventing peace from being restored to the country. However, the cochairmen's decision on reconvening this meeting is evidence that, despite their adamant refusal to attend the meeting, the Vietnamese and puppets Hun Sen, Heng Samrin, and Chea Sim are still compelled to do so. And this also shows that the world will not allow them to destroy the document of the five UNSC permanent members at will. Each time they are forced to participate in a meeting, their fallacious maneuvers to oppose and destroy the documents are increasingly seen through. So the world becomes more and more abhorrent to them.

By all accounts, the forces all over the world that want to see independence and peace restored to Cambodia are becoming stronger and stronger in agreement with the vigorous struggle carried out by our army and people on the battlefield. The Vietnamese and their lackey puppets cannot dodge forever. The United Nations will certainly come and force the Vietnamese to remove all their aggressor forces from Cambodia.

Khieu Samphan Issues Statement on Talks

BK0206005291 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 1 Jun 91

[Text] On 1 June, His Excellency Khieu Samphan, head of the party of Democratic Kampuchea and Cambodian vice president in charge of foreign affairs, issued a statement on the meeting between the cochairmen of the Paris conference and the four Cambodian parties in Jakarta from 2 to 4 June 1991.

The following is the full text of the statement:

1. We would like to again express our profoundest thanks to the cochairmen of the Paris conference, in particular the host Indonesia, which has reconvened the meeting between the Paris conference cochairmen and the four Cambodian parties from 2 to 4 June.

We would also like to extend our deepest thanks to and will remember forever His Excellency President Suharto and the Indonesian Government and people for having provided generous support and assistance to the Cambodian people's just cause of struggle to restore independence and peace to the country.

We pledge to physically and spiritually cooperate with the cochairmen so as to clear the way for reconvening the meeting of the coordinating committee of the Paris conference at the earliest date in compliance with the Paris joint statement dated 23 December 1990.

2. According to the Jakarta joint statement dated 10 September 1990 and the Paris joint statement dated 23 December 1990, the four Cambodian parties have fully accepted the 28 August 1990 framework document of the five permanent members of the UN Security Council. The three parties of the Cambodian National Resistance have totally accepted the 26 November 1990 draft agreement, which has been fleshed out on the basis of the permanent five member's 28 August 1990 framework document and which was officially adopted by the UN Security Council through Resolution 668 on 20 September 1990 and unanimously endorsed by the UN General Assembly on 15 October 1990.

3. At this Jakarta meeting, we wish to appeal to the Phnom Penh party to accept the 26 November 1990 draft agreement to pave the way for the reconvening of the meeting of the coordinating committee of the Paris International Conference on Cambodia at the earliest date.

VOK: Ieng Muli Previews Jakarta Talks

BK0106092491 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 1 Jun 91

[Text] Ieng Muli, general secretary of the Khmer People's National Liberation Front [KPNLF] Executive Commitee and member of the Cambodian Supreme National Council [SNC], said in Jakarta yesterday that he can consider the current meeting in Jakarta a success if at this meeting all parties can agree to the reconvening of the coordinating committee of the Paris International Conference on Cambodia [PICC].

Ieng Muli, who arrived in Indonesia on Friday, told reporters at the airport in Jakarta that he hopes that this meeting will discuss all remaining differences. He also expressed the hope that other SNC members from Phnom Penh will cooperate in discussing these remaining issues. Ieng Muli further said if these issues are within the five major powers' peace plan, he thinks that this meeting would be successful.

France and Indonesia, cochairmen of the PICC, have said the Jakarta meeting, scheduled to start on Sunday, tomorrow, will not accept alteration of the UN draft peace plan by any Cambodian parties. French Foreign Minister Roland Dumas said the draft UN peace plan can be improved without altering the essence of the peace plan of the five major powers who are members of the UN Security Council.

Commentary Reaffirms Stance on Settlement

BK0206034591 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 1 Jun 91

[Station commentary: "The Hanoi Authorities' Maneuvers To Preserve the Puppet Army Are Aimed at Further Hiding the Vietnamese Aggressor Forces in Cambodia and Destroying the Settlement of the Cambodian Problem According to the UN Document"]

[Text] Why have the Hanoi Vietnamese aggressors ordered the puppets to oppose the disarmament and to raise the issue of preserving the puppet army or reducing it to this or that percent?

Vietnam and the puppets have vigorously proclaimed that they want to preserve their puppet army for containing or keeping this or that person in check. However, the Cambodian people, the people and countries in the region, and a great many peace- and justice-loving people worldwide have already unambiguously seen through the wicked nature of the Hanoi authorities. The latter are attempting to continue hiding their aggressor troops in the puppet army for the purpose of further sabotaging the settlement of the Cambodian problem according to the document of the five permanent members of the UN Security Council [UNSC] and turning Cambodia into a second Lebanon in Asia, thereby swallowing and incorporating it into Vietnam's strategic Indochinese Federation. This is the one and only goal of the Vietnamese. Nevertheless, the Cambodian people, the Cambodian National Resistance, and the United Nations will not allow Vietnam and the puppets to achieve their goals, come hell or high water.

Everyone has already clearly realized that the Vietnamese have always advocated the law of the jungle. They have never respected the principle of international law, the UN Charter, or their pledges and agreements. In their war of aggression in Cambodia for more than 12 years, the UN General Assembly has every year condemned them and demanded that they withdraw their aggressor forces from Cambodia, but the Hanoi authorities have never cared about that. They continue to invade and occupy Cambodia and ship reinforcement troops to the country. By all accounts, if the puppets are allowed to preserve their entire army or this or that number of their troops, the Vietnamese will then be able to hide their invading troops at will so as to use them as reserve forces. And if the Vietnamese can do so, how will they become arrogant? Certainly, they will overact unchecked, and consequently the Cambodian problem will instead remain deadlocked or become more and more complicated. That being the case, the international community is of the opinion that only with the complete execution of the 28 August 1990 framework blueprint and the 26 November 1990 draft agreement, without modification, can the Cambodian problem be resolved comprehensively and definitely. This means:

1. Vietnam withdrawing all its aggressor troops and forces from Cambodia under strict UN verification.

2. Regrouping the armed forces of all the Cambodian parties in barracks designated by the United Nations, then disarming and demobilizing them.

3. Dispatching a UN transitional authority [UNTAC] and a UN peacekeeping force with sufficient staff and facilities to maintain peace and order during the transitional period.

4. Holding free and just elections organized by the Cambodian Supreme National Council and UNTAC, and so on.

This is the best and most rational way to settle the Vietnamese war of aggression in Cambodia via a comprehensive political solution. Nothing is better than this.

Commentary Previews Jakarta SNC Talks

BK0306035491 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 2 Jun 91

[Station commentary: "Whether or not the Settlement of Cambodian Problem Succeeds depends on Vietnam and the Puppets—Its Lackeys"]

[Text] The international community is paying attention to the Jakarta meeting between the Paris International Conference on Cambodia [PICC] cochairmen and the four Cambodian factions being held from 2 to 4 June.

All sides hope that this meeting will succeed to advance toward quickly reconvening the PICC, thus realizing the comprehensive political solution of the Cambodian problem in line with the framework document of the five permanent members of the UN Security Council [UNSC] and the draft agreement dated 26 November 1990.

It is the world's profound desire to quickly end the Vietnamese war of aggression in Cambodia so that peace and security will be restored to Cambodia and Southeast Asia.

As for the Cambodian people and the Cambodian National Resistance [CNR] forces who have been suffering from the Hanoi aggressors' invasion and occupation of Cambodia for the past nearly 13 years, they even more eagerly want to achieve a comprehensive political solution for the Cambodian problem so as to quickly end Vietnam's most destructive war of aggression.

The Cambodian people and the CNR forces also hope for this Jakarta meeting to achieve results conducive to the settlement of the Cambodian problem in line with the five UNSC permanent members' framework document which has been accepted by the four Cambodian factions.

The Cambodian people and the CNR forces regard this Jakarta meeting as another important forum for promoting the implementation of the UNSC framework document in order to end the Vietnamese war of aggression against Cambodia and enable Cambodia to regain genuine independence and peace.

Only Vietnam and its lackeys—the puppets—do not want this meeting to be held. This is because they oppose the document and the comprehensive settlement of the Cambodian problem through political means and do not want Cambodia to regain independence and peace. Therefore, it is Vietnam and its lackeys—the puppets—who are the obstacle to a comprehensive political settlement of the Cambodian problem in line with the UN document.

The world people see that there are sufficient foundations for the settlement of the Cambodian problem. They are the UNSC framework document, draft agreement dated 26 November 1990, Jakarta joint statement dated 10 September 1990, and the Paris joint statement dated 23 December 1990. All these documents have been approved successively by the entire UNSC and the UN General Assembly through their resolutions. Therefore, they are the most important, correct, and fair foundations for settling the Cambodian problem comprehensively through political means. There is no better way.

The three CNR forces have successively declared their acceptance of these documents for the settlement of the Cambodian problem.

Therefore, the question rests only on whether Vietnam and its puppets will or will not accept these documents. In fact, the Hanoi authorities and their puppets have already announced their acceptance of these documents during the Jakarta meeting in September 1990 and the Paris meeting in December 1990. But later on, they brazenly and shamelessly opposed these documents. They have kept raising one issue after another, namely the cease-fire, cessation of foreign aid, and the Khmer Rouge, as a pretext to oppose these documents and the dispatch of the UN Transitional

Authority in Cambodia and the UN Peacekeeping Force to conduct all- round supervision in Cambodia, particularly to verify the withdrawal of Vietnamese troops from Cambodia.

This act has clearly laid bare the true tricky and cunning nature of the Vietnamese and their puppets. This is why the world community has dragged the Vietnamese to the Jakarta meeting, despite their all-out resistance. The world will certainly continue to pressure the Vietnamese to accept the UNSC framework document and the draft agreement dated 26 November 1990 so as to quickly achieve a comprehensive political settlement of the Cambodian problem.

Danielle Mitterrand Concludes Visit

BK3105092191 Phnom Penh SPK in French 0413 GMT 31 May 91

[Text] Phnom Penh 31 May (SPK)—Danielle Mitterrand, wife of the French President, left Phnom Penh Wednesday, 29 May, at the end of a four-day visit to Cambodia.

Before leaving for Ho Chi Minh City, the delegation was received by Hor Namhong, Cambodian minister of foreign affairs. On that occasion Mrs. Mitterrand expressed profound gratitude to the State of Cambodia for creating completely favorable conditions for the success of her visit to Cambodia.

After voicing her appreciation of the development and great successes of the Cambodian people in the reconstruction of their country devastated by the genocidal Pol Pot clique, Mrs. Mitterrand affirmed that she would inform her husband of everything she had seen and heard of in Cambodia.

The delegation was sent off as it left Bavet on the Cambodian- Vietnamese border by Ek Sam-ol deputy minister of education.

During its stay, the delegation attended a reception organized in its honor by Hun Sen, chairman of the Council of Ministers, and held cordial talks with Yos Son, minister of education.

The delegation also visited the Tuol Sleng national museum of genocidal crimes, some educational establishments, the School of Medicine, the Institut Pasteur, Hopital 17 April, and the Cham Dong Technical Institute of Agriculture.

Pledges To Continue Aid

BK0306103991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 2 Jun 91

[Text] At the conclusion of her four-day visit to Cambodia, Mrs. Danielle Mitterrand, wife of the French president, was of the opinion that on the visit she had gained immense knowledge and considerable evidence. On behalf of the French foundation Liberte, Mrs. Mitterrand spoke on the aid her organization has provided to the Cambodian people, such as necessary teaching equipment for the medicine faculty as well as a great many educational materials and pedagogic books for other educational institutions.

Mrs. Mitterrand said the foundation has sent its representatives to work permanently in Cambodia for eight years and that through those envoys she has been well aware of what happened in the country. She said she has known for a long time of the Cambodian people's courageous and brave spirit in rebuilding their country after the past nightmare, adding that she is extremely happy at being able to come here to directly communicate and meet with people and visit many places.

On the role of her nongovernmental organization, she said the organization is duty-bound to urgently respond to the designated needs, underlining that the organization's task is to receive testimonies and convey them to arouse people's consciences and motivate them to engage in activities that create a chain of broad solidarity around [words indistinct].

She stressed: We will continue our aid by primarily attracting those who are capable and have the means to benefit cooperation, and this probably will be done in close coordination with the existing institutions here for promoting development cooperation.

Special UN Envoy Concludes Visit 31 May

BK0106075291 Phnom Penh SPK in French 0409 GMT 1 Jun 91

[Text] Phnom Penh 1 June (SPK)—Shah A.M.S. Kibria, special envoy of UN Secretary General Javiez Perez de Cuellar, left Phnom Penh on Friday 31 May after completing his three-day visit to Cambodia.

During his stay here from 29 to 31 May, Kibria was received by Hun Sen, chairman of the Council of Ministers, and Hor Namhong, foreign minister of the State of Cambodia. He also had talks with Phlek Phirun, chairwoman of the Cambodian committee of the Red Cross.

The Cambodian leaders briefed their guest about the concrete situation in the country and that in the social and economic fields as well as the need of the State of Cambodia's government for humanitarian aid to succor the population, especially the war refugees.

Kibria pointed out his efforts to acquire a fund of more than $11 million for the Cambodian war refugees and said he was committed to doing his best to help the Cambodian people.

Indonesia

Papers View Cambodian SNC Meeting

BK0306094991 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 3 Jun 91

[Press review]

[Text] KOMPAS says the current Supreme National Council [SNC] meeting in Jakarta is not discussing issues of principle anymore but more detailed issues that could guarantee its implementation. The international community has accepted the legitimate existence of the Supreme National Council, or the SNC. According to this daily, the SNC should be tasked with the responsibility and role it will play in carrying out the process of settling the conflict. However, the daily added, the SNC's maturity and responsibility toward its peoples will be seen through its plans to solve several issues—whether through procedural or substantive methods. Most important is that all issues should be settled or clarified during the current SNC meeting. In this connection, KOMPAS does not want to say that there should be a point of no return on this issue, but on the other hand there should be marked progress if the Cambodian conflict can be solved through basic channels that have been accepted by all factions.

In its commentary, ANGKATAN BERSENJATA says that people who have been following the developments concerning settlement of the Cambodian conflict may be getting bored. According to this daily, the way towards settlement of the conflict has been difficult but with ASEAN's blessings and tireless efforts—particularly efforts undertaken by Indonesia—much progress has been achieved. There are people who have said that 75-percent progress has been achieved toward settling the Cambodian conflict, leaving only 25 percent that needs to be settled, including issues such as the demobilization of all factions and temporary supervision by the United Nations during and after the general election period.

BERITA BUANA says there are new developments in the ongoing Cambodian meeting and this can be seen in statements issued by Hun Sen and Sihanouk in Jakarta on the SNC leadership. BERITA BUANA said the SNC is not totally satisfied with these statements. However, this is considered something new because if two controversial leaders can come to a mutual agreement, then such developments could determine the outcome of the SNC meeting that will close tomorrow.

Meanwhile, PELITA is still dubious over which methods are to be used to find a settlement during the current meeting. Apart from this, PELITA is highly optimistic that there could be a breakthrough to end the stalemate. Such a positive outlook is visible in the strict observance by the conflicting factions of the month-long cease-fire and their attitude during the ongoing meeting. There is no other alternative to reaching a comprehensive solution to the conflict other than by holding general elections under the supervision of the United Nations.

Minister Urges OPEC To Keep Output Ceiling

BK0106161191 Hong Kong AFP in English 0846 GMT 1 Jun 91

[Text] Jakarta, June 1 (AFP)—Indonesia Saturday urged the Organisation of Petroleum Exporting Countries (OPEC) to refrain from raising its output ceiling of 22.3 million barrels per day (bpd) when it meets in Vienna.

"I think it is better to maintain the current output level. This policy appears to have been successful in propping up prices," Mines and Energy Minister Ginanjar Kartasasmita said after meeting President Suharto.

There was no justification to raise the ceiling at Tuesday's Vienna meeting and it would be unrealistic to cut it in the hope of pushing oil prices up to the 21 dollar target, he said noting that opinions still differed within OPEC on the question of output for the third and fourth quarters.

He said an oil conference in the Iranian city of Esfahan last week was used by a number of attending OPEC oil ministers to try to unify their views ahead of the meeting.

Oil prices have firmed in the past month to just above 18 dollars, having dropped below that level immediately after the end of the Gulf war.

Industry sources attributed the stronger prices in part to the oil cartel's ability to limit output within the 22.3 million bpd ceiling in the second quarter, fixed during a meeting in April for 11 of its 13 members.

Kuwait and Iraq have been excluded from the deal as their oil facilities have been damaged during the Gulf war.

Laos

Danielle Mitterrand Arrives for Visit

BK0106114891 Vientiane KPL in English 0910 GMT 1 Jun 91

[Text] Vientiane, June 1 (KPL) - Mrs. Danielle Mitterrand, president of the Franch Foundation "Liberty", wife of president Francois Mitterrand of France, arrived here yesterday on a three-day official visit to Laos.

Among the welcoming party at the airport were Mrs. Thongvin Phomvihan, member of the People's Supreme Assembly, first secretary of the Central Lao People's Revolutionary Youth Union, Mr. Maisouk Saisompheng, minister and head of the cabinet of the Council of Ministers, Mr. Souli Nanthavong, minister of science and technology, president of the Laos-France Friendship Association and other officials concerned.

Mr. Daniel Dupont, ambassador extraordinary and plenipotentiary of the Republic of France to Laos and the staff of the French Embassy here were also on hand. The visit to Laos by Mrs. Danielle Mitterrand is in response to the invitation of Mrs. Thongvinh Phomvihan.

Attends Reception

BK0106131091 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 Jun 91

[Excerpt] Mrs. Thongvin Phomvihan, member of the Supreme People's Assembly and first secretary of the Lao People's Revolutionary Youth Union, hosted a banquet in honor of Mrs. Danielle Mitterrand, president of the French organization Liberte and wife of French President Francois Mitterrand, at Lan Xang Hotel yesterday evening. The Lao and French personalities attending the reception included Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs; Daniel Dupont, ambassador extraordinary and plenipotentiary of the Republic of France to the Lao People's Democratic Republic, and their wives. [passage omitted].

Calls On Kaysone, Phoumi; Departs

BK0306040491 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 3 Jun 91

[Text] Kaysone Phomvihan, chairman of the Council of Ministers, received a courtesy call from Mrs. Danielle Mitterrand, chairwoman of the French foundation Liberte, and delegation during the latter's visit to Laos. On this occasion, the Council of Ministers chairman conveyed best regards to President Francois Mitterrand and his family as well as to the French people. He also expressed a welcome to the visit to Laos by the French delegation on this occasion.

Phoumi Vongvichit, acting president of the Lao People's Democratic Republic [LPDR], also received a courtesy call from Mrs. Danielle Mitterrand. The acting president of the republic expressed profound gratitude to the French Government for the assistance given to Laos in the past as well as in the present. Mrs. Danielle Mitterrand informed Phoumi Vongvichit of her visit to the Lao cultural and production establishments where she was accorded with a warm welcome.

During the visit to Laos, the French delegation led by Mrs. Danielle Mitterrand also held a working meeting with a delegation of the Lao People's Revolutionary Youth Union [LPRYU] Central Committee led by Mrs. Thongvin Phomvihan, during which the two sides exchanged views on many issues, in particular the assistance given to the LPRYU in the building of a rural youth vocational training school in Phialat District, Vientiane Municipality.

Mrs. Danielle Mitterrand and delegation began the friendship visit to our country on 31 May and left for home yesterday.

Phoun Sipaseut Receives Cambodian Minister

BK0106115291 Vientiane KPL in English 0949 GMT 1 Jun 91

[Text] Vientiane, June 1 (KPL)—Phoun Sipaseut, vice chairman of the Lao PDR [People's Democratic Republic] Council of Ministers and minister for foreign affairs, on May 30, received here Uk Bunchhoeun, minister of justice of the State of Cambodia, and his delegation.

The foreign minister informed his Cambodian guests of the socioeconomic development in Laos and progress on building the national draft constitution and a series of laws already enacted.

He also stressed on the policy of the Lao party and government regarding promotion of solidarity, special relationship and mutual cooperation in legal and judicial affairs between Laos and Cambodia.

The Cambodian delegation returned home on May 31.

Phoun Sipaseut Receives New Spanish Ambassador

BK3105123491 Vientiane KPL in English 0938 GMT 31 May 91

[Text] Vientiane, May 31 (KPL)—Mr. Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs, on May 30 received Mr. Thomas Chavarri Del Rivero, new ambassador extraordinary plenipotentiary of Spain to Lao PDR [People's Democratic Republic] following his presentation of credentials to the acting president of the Lao PDR.

The Lao foreign minister and his guest, on the occasion, exchanged views on extending the friendly relations between two countries.

Government Issues Decree on Electricity Rates

BK0206062291 Vientiane KPL in English 0919 GMT 1 Jun 91

[Text] Vientiane, June 1 (KPL)—A governmental decree on the new adjusted electricity rates was issued on May 28. Based on the new economic management machanism, the new rates for domestic consumption are as follows:

A. EDL [Lao Electricity Corporation] wholesale rate for 22 kv to the rural areas will be 16 kip per kw/h.

B. EDL retailed rate for low voltage for consumers in Vientiane prefecture and province will be classified in the following categories:

1. Monthly rate for household usage from 0-200 kw/h, will be 7 kip per km/h, and above 201 kw/h, the rate will be 14 kip per kw/h. The minimal rate per month will be 150 kip.

2. The rate for international organisations and diplomatic missions will be 56 kip per kw/h.

3. For trading business, the rate from 0-200 kw/h will be 14 kip per kw/h and from 201 kw/h and above, the rate will be 20 kip per kw/h.

4. For state institutions, the rate per kw/h will be 18 kip per month.

5. The rate for agricultural and irrigational sector will be 7 kip per kw/h.

6. The rate for industrial and handicraft sector per month will be 15 kip per kw/h.

As far as the adjusted rate for areas outside Vientiane, the decree appointed the Ministry of Industry and Handicraft to consult with the provinces concerned on the appropriate rates.

The decree indicates that the current decree is to replace the decree N.96 of the Council of Ministers, dated December 1, 1989.

The decree comes into effect from June 1, 1991.

Philippines

Taiwan Aid Not Seen Violating One-China Policy

HK0106060691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 31 May 91

[By Dick Sinchongco, DZRH Unit No. 6]

[Text] Taiwan has given its commitment to donate to the Philippine Assistance Program [PAP]. Malacanang newsmen learned this from Finance Secretary Jesus Estanislao, who said that Taiwan Central Bank Governor Samuel Shieh, who is also one of the founding members of the Asian Development Bank [ADB], promised the donation to President Aquino. The president will lead the inauguration of the ADB's new headquarters in Ortigas this afternoon. According to Estanislao, the pledged aid by Taiwan does not violate the one-China policy because it is done through the ADB, a legitimate organization in which Taiwan is a member. However, he did not say how much the contribution to the PAP would be. Estanislao added that Taiwan has agreed to shoulder the ADB loan used by the Metropolitan Waterworks and Sewerage System for its water projects.

Envoy Urges Economic Tie-Up With Singapore

HK0306040491 Manila MANILA BULLETIN in English 3 Jun 91 pp 1, 23

[By Willie S. Baun]

[Text] An unprecedented tie-up between the Philippines and Singapore has been proposed with a view to establishing a market for Philippine exports in newly unified Germany.

The scheme is for Singapore, easily one of the world's largest free ports, to serve as the jump off point for Philippine-made goods intended for the European Economic Community, in particular, Germany.

In the same manner that Singapore has been used by many third countries in Europe to sell to the Philippines, so should the Philippines harness Singapore's global network of business contacts to promote its exports, Singapore Embassy First Secretary Benjamin Williams said.

Singapore in itself would be a small market despite a high per capita gross national product (GNP) of 20,000 Singapore dollars, Williams told Filipino exporters attending the Rizal Commercial Banking Corporation [RCBC]-sponsored "dragon lecture series".

But Singapore's total trade is a staggering $90 billion, mostly imports which the country re-exports throughout the world.

The Philippines suffered a (Singapore) $760-million deficit in 1990 but if Singapore's re-exports (50 percent of goods sold to RP [Republic of the Philippines] were taken away, bilateral trade would be pretty even, Williams said.

He assured the RCBC seminar exporter-participants that should they decide to sell to the world through Singapore, they would have at their disposal a network of contacts unmatched in the Southeast Asian region, backed by super-efficient transport facilities sailing out of the biggest port in the world.

Otto Hammer, an official of the Philippine-German Business Cooperation Office, set off from where Williams left by outlining the new opportunities opened to Filipino exporters in Germany.

Government-owned factories and mills in East Germany have been closed to give way to private business.

New enterprises are cropping up in Germany which Filipino exporters can supply with goods and services or which they could seek out for partnerships, Hammer told his audience at the RCBC executive auditorium.

But these "tremendous" opportunities, Hammer stressed, must be seized by Filipino exporters now before the Japanese, Koreans, or Taiwanese do because the Asian "tiger economies" would be hard to compete against and impossible to dislodge once they gain a foothold in the market.

Hammer also urged Filipino exporters to diversify and train skilled people who will carry the diversification because the Philippines' traditional exports would not do well enough in the German market.

Moreover, he pointed out that German businessmen are volume buyers and sticklers for high quality and prompt delivery—thus hinting at the need of Filipino exporters for adequate financing from local sources or foreign, like Singapore.

Lecture series sponsor RCBC has gone heavily into export financing and the just-concluded export dragon lectures are part of a larger export promotion program of the bank.

Hammer, whose talk capped the RCBC 45-day lecture series, in his concluding statement said that if the Filipino exporters want to succeed, they must be more aggressive, go out and find out what the market needs instead of just wait for things to happen.

Manglapus Says Agreement on Bases Closer

BK0206115291 Hong Kong AFP in English 1136 GMT 2 Jun 91

[Text] Manila, June 2 (AFP)—The United States and the Philippines are closer to agreement on the length of a new military bases treaty, Philipppine Foreign Secretary Raul Manglapus said here Sunday.

He said on arrival here, after meeting with Assistant Secretary of State for East Asia and the Pacific Richard Solomon in Luxembourg last week, that Washington appears to have "modified" its demand for a 10-year lease.

"They are no longer mentioning the figure of 10, but mentioned a withdrawal period exclusive of the duration," Mr. Manglapus told reporters.

He stressed that "at the moment, (the Philippines) cannot go beyond seven years," with the provision that at the end of the fifth year, there would be a "possibility of a review of the present arrangement for possible access."

He said the U.S. officials were "willing to accept seven years," but wanted their forces to be given "reasonable time to withdraw."

U.S. Forces have maintained a 43-year presence at Clark Air Base and Subic Naval Base, the largest American military facilities abroad, but the lease runs out in September.

The two sides have been negotiating for a new treaty for more than a year.

However, mr. Manglapus said the U.S. side "have not been flexible at all" on the issue of compensation, where Washington has offered 556 million dollars a year to Manila's demand for yearly compensation of at least 825 million dollars.

He said Washington was ready to commit itself to "extend quota limits" on Philippine exports as part of the compensation package sought by Manila, but was "not ready to subscribe to a specific figure."

Manila is seeking expanded trade access worth at least 170 million dollars a year, along with surplus military equipment and official debt relief as part of the compensation package.

Meanwhile, Philippine President Corazon Aquino said Sunday that telephone diplomacy would be applied to iron out the remaining obstacles to a new treaty after both sides met here for a year without producing one.

She told reporters Mr. Manglapus had told her "they could do these things through the telephone or fax (facsimile machine) like everyone else does."

Cites Problems

HK0306023891 Manila PHILIPPINES NEWSDAY in English 3 Jun 91 pp 1, 2

[By Arthur I. Baruad]

[Excerpts] Foreign Secretary Raul Manglapus yesterday said that the Philippines and the United States "are at a point where there is no meeting of the minds" on a possible treaty covering the military bases and he placed the blame for the delay in the forging of a security arrangement between the two countries squarely on the U.S.

In a press conference at the Ninoy Aquino International Airport shortly after arriving from Luxembourg, Manglapus said that "what remains to be resolved still has to do with compensation and duration and there are also technical questions on SOFA [Satus of Forces Agreement] and installations arrangements."

Manglapus confirmed that he had met with U.S. Assistant Secretary of State for East Asia and Pacific Affairs Richard Solomon in Luxembourg but he said that they did not negotiate because the latter only reiterated the U.S. positions on compensation and duration.

He said that Washington wanted more than seven years, but added that the Philippines could not go beyond this duration stance although he admitted that the Philippine side had accepted the U.S. suggestion which opens the possibility of an access arrangement at the end of the agreed term to break the impasse on duration.

Manglapus said that "they (Washington) don't seem to be satisfied" and were still demanding a definite assurance that such access would be possible. "Their position is that they are willing to accept the seven years but they want the withdrawal to be beyond the seven years," he said.

However, Manglapus maintained that the "position of the Philippine panel as enunciated by President Aquino was that at the moment, we cannot go beyond the seven year duration period."

Mrs Aquino, meanwhile, said that despite disagreement on compensation and duration, she remained hopeful that both sides would be "able to reach agreement soon." [passage omitted]

Manglapus explained that "our (RP) [Republic of the Philipines] seven year duration includes the possibility that at the end of the fifth year the Philippines would unilaterally review the situation and this review could lead to the providing of access to the U.S. beyond the seven year period."

"We are willing to go a little beyond the original arrangement, namely a fixed time for the possible review at the end of the fifth year," Manglapus said.

Manglapus also took exception to the bases compensation package, claiming that the appropriated portion of the U.S. offer "hasn't changed from the very beginning." He pointed out that it "basically follows the figures that were originally submitted."

Manglapus claimed that it was the Philippines's flexibility that has permitted the "remixing of the compensation package."

"We have shown flexibility by including into the package some items which we were not ready to include in the begining such as development assistance, PL [Public Law] 480 (balance of payments waiver for the purchase of Philippine products)," the foreign secretary said.

Manglapus, the chief Philippine bases negotiator, stressed that the U.S. government was inflexible all along despite Manila's willingness to consider their proposals in view of their own budgetary constraints. "They (U.S.) have not been flexible at all," he said.

The Philippine panel has been demanding an $825 million annual compensation package—$400 million in hard cash and $425 million in non-budgetary items—for a seven year duration.

But last week, it unveiled a comprehensive compensation package which includes "unquantifiable items as excess trade access, concessional loans and a regional cooperation fund."

The new package thus far amounted to only $640 million, and Philippine officials said that the "gap" could be filled in by the three items. The filling-in process should have been the subject of discussion between Manglapus and U.S. chief negotiator Richard Armitage in Luxembourg last week but the meeting did not push through owing to the latter's "lobbying" in the U.S. Congress for the Philippine Assistance Program."

Manglapus also said that Armitage's return to Manila remained possible. He said that the U.S. negotiator expressed to him a desire to come back to Manila to finalize the "design" of a new bases treaty.

Chamber of Commerce on U.S. Travel Advisory

HK0106060491 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 31 May 91

[Text] The Philippine Chamber of Commerce and Industry [PCCI] assailed the continuing U.S. State Department advisory that the Philippines is not yet safe to visit by foreign tourists and investors. According to PCCI Acting President Rogelio Sarmiento, the advisory is contributing to the decline in the country's economy. It also causes negative results on the government's efforts to attract foreign investors to pour capital into the Philippines. In this connection, Sarmiento clarified that the security in the Philippines is not as bad as compared to the current situation in other nations. Sarmiento questioned the criteria the U.S. State Department uses in declaring a country unsafe for foreigners to visit.

Manila To Ask World Bank for $400 Million Loan

HK0306040691 Manila THE CHRONICLE in English 3 Jun 91 p 3

[By staff member Arleen Chipongian]

[Text] The Philippines will ask for an additional $300-$400 million from the World Bank [WB] to finance the second phase of its debt-reduction program, Central Bank [CB] Governor Jose L. Cuisia, Jr. said.

The new loans are needed because the remaining debt and debt reduction facility is "not enough," he said.

Lack of funds kept the country from pursuing debt reduction late last year.

The country still has to draw on $313 million from this end of which $172 million will come from the Japan Export Import [Exim] Bank; $91 million will come from the International Monetary Fund and $50 million from the WB.

At $313 million, the Philippines will only be able to cancel about $600 million of its public sector foreign loans through another debt buy-back scheme assuming a 50% discount on the country's debt papers prevails in the secondary market.

This is way below the target $1.6-$1.7 billion debt cancellation programmed for the second phase of the debt reductin program, and also a decline from the $1.3-billion debt cancelled in the first phase in February 1990.

The WB facility will make up for the $300 million Japan's Eximbank had cancelled when the Philippines abandoned the extended fund facility (EFF) program for the 1989-91 period for an 18-month standby arrangement with the IMF. Japan pledged the $300 million under the Philippine Assistance Program based on the EFF.

The additional WB loans will bring to $500-$600 million its support for the debt reduction program.

The WB had earlier committed a $200 million of which $150 million was disbursed in 1990 for the first phase of the debt reduction program.

Cuisia, meantime, said the Philippines is still negotiating with Japan Eximbank for the restoration of the $300 million.

A senior CB official, in a separate interview, said the only way the Philippines can regain the loan is by adopting a "successor program" to the 18-month standby arrangement, when a reinstatement could be asked and acted on.

Think Tank Says Trade Reform Needed for Growth

BK0106120691 Hong Kong AFP in English 1018 GMT 1 Jun 91

[Text] Manila, June 1 (AFP)—The Philippines must implement trade reforms if it wants to sustain economic growth of more than three percent a year, a conservative economic think-tank said Saturday.

However, the Center for Research and Communications (CRC) also said in its 'Philippine political monitor' that industrial groups and entrenched political interests would likely foil any attempt to reduce industrial protection.

This would keep the economy "trapped in its boom-bust syndrome and limited to an annual real (Gross National Product) growth of three percent," it added.

The CRC cited as an example the scrapping of a tariff reform ordinance last year.

The reform would have simplified and brought down tariff rates, but President Corazon Aquino shelved it after protests from business groups and congress.

"There was simply a lot more to be gained by producing for protected markets rather than producing the required intermediate products and capital goods," the CRC publication said, adding that this kept the country's exports uncompetitive.

"Trade liberalization simply does not have a constituency. Its advocates are limited to a small circle of technocrats. They are up against the world: businessmen, traditional politicians (leftist) groups, sectoral organizations and the media stand on common ground," the CRC publication said.

"Nationalist industrialization and protectionism make good copy, trade liberalization doesn't," the CRC said, adding that the country would continue to suffer periodic foreign exchange shortages "unless help comes in the form of foreign direct investment, loans and aid."

The CRC warned, however, that foreign aid providers were becoming impatient with Manila's refusal to liberalize its economy.

Rebels Say Manglapus, Others on 'Hitlist'

HK0306051491 Manila DIYARYO FILIPINO in Tagalog 3 Jun 91 pp 1, 2

[By Neneth Ramirez, Jun Tiosen, and Joseph Ortiz]

[Excerpt] Foreign Affairs Secretary Raul Manglapus, two Philippine National Police generals, and some congressional members are among the targets for liquidation by the Lucio de Guzman Command (LGC) of the New People's Army (NPA) in Oriental Mindoro.

This was learned by DIYARYO from Comrade Kwang Ju, head of the LGC, and Comrade Victor, NPA spokesman operating in Batangan, Bongabonn, Oriental Mindoro, after they set free two of five captive soldiers.

Meanwhile, four communist rebels were killed in separate encounters in Nueva Ecija and Laguna.

Comrade Kwang Ju confirmed that the killer of Superintendent Nestor Cruz, Eastern Police District assistant chief for operations, who was slain last month, were his brothers, who are with the Alex Boncayao Brigade [ABB], the NPA urban unit in the metropolis.

He said, Manglapus and other officials, who he did not identify, "have many offenses against the nation" so they have to liquidate them.

"Manglapus has been on our list for a long time...because we have proven that he is pro-American and has no concern for the country", the guerrilla leader said. "We will try to have him next to Col. Cruz.

"The ABB stated in a letter that it killed Cruz because he was acting as the "godfather" of drug traffickers in Pasig. Several ABB members have been given a mission to liquidate the officials (on our hitlist)," said Comrade Victor.

DIYARYO interviewed the rebel leaders when they talked to various government and church officials in Mindoro for the release of the five hostage soldiers.

The rebels captured Capt. Eurico Salapong, Sgts. Roger Javier and Yolando Soberano, and C2Cs [Constable 2d Class] Cesar Garcia and Jesssie Noceda last 2 April after an encounter in Sitio Sigao, Barangay Lisap, Bongabon.

Comrade Victor told Bongabon Mayor Renato Reyes that they will only release the soldiers if the military operations were suspended and its troops pulled out of Mindoro.

Last Friday [31 May], the NPA released Soberano and Garcia only after over 24 hours of talks because not all of the demands were met. [passage omitted]

Thailand

Official Says Engine Fire Downed Jet

BK0106013291 Bangkok BANGKOK POST in English 1 Jun 91 pp 1, 3

[Excerpts] Sudden engine failure resulting in a fire is believed to have caused Lauda Air's Boeing 767 disaster late on Sunday night, Airports Authority of Thailand [AAT] governor ACM [Air Chief Marshal] Sombun Rahong said yesterday.

ACM Sombun's comments came as the head of the Thai investigation committee, ACM Suthep Theppharak said Thai and foreign investigators had come to a "loose conclusion" that a bomb was not to blame.

ACM Suthep, who is Deputy Transport and Communications Minister, said investigators so far have found no trace of explosives on the bodies of the 213 passengers and 10 crew killed.

"This led to a belief that the plane was not destroyed by a bomb," said ACM Suthep, who quickly added results of the findings are not conclusive.

Police bomb experts will inspect parts of the aircraft to find if there are traces of explosives or smoke.

The problem which caused the plane to disintegrate at an altitude lower than last recorded could be anything, including a fire inside the plane, he said.

Examination of the plane's black box will provide crucial information enabling investigators to establish the actual cause.

Two Thai aviation experts last night left with the black box for the United States, where it will be decoded at a Washington laboratory of the National Transportation Safety Board.

Boeing Aircraft Corporation has cleared the laboratory to examine the black box so results can be obtained in seven days instead of months as in an average case.

Officials were also sent to the crash site yesterday to locate the Full Authority Digital Engine Control (FADEC) device which recorded the plane's engine functions at the time of the crash.

Aviation sources earlier said the right engine came off with the wing and fell about 20 kilometres from the rest of the debris. However, ACM Suthep said the wing and engine were, in fact, found only two to three kilometres from the rest of the debris.

Pol [Police] Maj-Gen Prawet Khumphai, deputy commissioner of the Police Department's Office of the Chief Medical Officer, said forensic experts had confirmed that none of the 223 bodies carried metal shrapnel or traces which showed they had been hit by a bomb.

Some female passengers were found with their fists tightly clenched, suggesting they had died in fear, he said.

Speaking at a press conference at the AAT following his visit to the crash site in Tambon Huai Khamin, Dan Chang District of Suphan Buri, ACM Sombun also ruled out the theory of a bomb being planted on board the aircraft.

He said investigators had found the pilot's logbook indicating there was a fire on board.

Chonlat Phiaophan, deputy district officer from Dan Chang, showed the investigators a document that had the word "fire" scrawled across it in English.

Chonlat said the document had been recovered from the cockpit of the plane, which was the only large part of the aircraft left intact.

ACM Sombun claimed eyewitness accounts from Suphan Buri residents, combined with preliminary findings from the investigating committee and examination of the crash site, as well as the wreckage suggested that the Vienna-bound jetliner developed engine trouble before it crashed into mountain forest.

He said the plane was seen by a large number of people who were watching an open-air movie. It was cruising at a low altitude with its right engine on fire for up to 70 kilometres over eight districts. The jet flew lower and lower until it crashed and exploded, he said.

"It seems the pilot, having one engine on fire, slightly dipped the nose of his aircraft to gain speed to prevent the aircraft from stalling and to attempt a forced landing, but he was unable to do so when the right wing tore from the body," he said.

The right engine, which was attached below the wing, was badly burned and found three kilometres from the wreckage of the fuselage.

"Had the plane been brought down by a bomb while the plane was climbing from 20,000 to 30,000 feet in altitude, as had earlier been suggested, it would have disintegrated in small pieces and scattered in a wide area—not in big chunks and in a compact area," he theorised.

"This is absolutely not a case of sabotage.

"If there was an explosion in flight, the cargo hold or the passenger cabin where the bomb could have been placed would be ripped open and the decompression of the cabin would have ripped seats from their positions and there would be personal belongings or baggage strewn over a wide area," he said.

"Ten bodies seated near the right wing were badly burned, indicating fire had erupted for unknown reasons on the right wing before it ripped off from the fuselage," said ACM Sombun.

He added that there were no signs of the left wing or left engine catching fire.

The AAT governor claimed the pilot had written the word "fire" and circled it in his log-book found near the damaged cockpit. He also said the last communication between the pilot and the control tower at Don Muang showed the pilot had told passengers to fasten their seat belts.

Asked why no distress message was sent by the pilot to the control tower, ACM Sombun said he suspected the pilot might have been busy attempting a forced landing.

The wing found 20 kilometres from the crash site did not belong to the Lauda Air Boeing, but of an unknown type of plane which might have crashed a long time ago, he said.

The AAT governor said he believes the autopsy on the victims to determine traces of smoke in their lungs will reveal if there was a fire in the cabin. [passage omitted]

Responding to accusations of lax security at Don Muang Airport, ACM Sombun claimed safety standards at the airport had won commendation from several foreign agencies.

He also said it is not possible for the airport to force every airline to X-ray every bag because it is not stipulated in regulations of the International Civil Aviation Organisation. [passage omitted]

Authorities Deny Heroin at Site

AU3105091691 Vienna DER STANDARD in German 31 May 91 p 1

[Werner Stanzel report: "No Heroin Among Wreck of Lauda Air Plane"]

[Excerpt] The report spread by the ORF Television Network that heroin was discovered among pieces of the Lauda Air plane that crashed in Thailand has been denied by Thai authorities.

The statement by a member of the German Embassy who told ORF journalists that he "heard from a Thai member of the investigation committee that a bag with white powder that might be heroin was found" has not been confirmed after an examination. [passage omitted]

Cambodian Official Comments on Jakarta Talks

BK0206020691 Bangkok THE NATION in English 2 Jun 91 p A3

[By Kawi Chongkitthawon]

[Text] A senior Phnom Penh official has warned that the failure of the upcoming Jakarta talks among the Cambodian factions would further stall the peace process.

Cham Prasit, deputy minister to the Council of Ministers, told THE NATION on Friday that the world community and the Cambodian people are fed up with the Cambodian problem and it is high time the warring parties came to an agreement.

He said that Phnom Penh would raise three issues contained in the United Nations peace plan at the Jakarta meeting on disarmament, Cambodia's sovereignty and concrete measures to prevent the return of the genocidal policy of the Khmer Rouge.

The peace plan was prepared by the five permanent members of UN Security Council last November. The three Cambodian resistance groups accept the plan in its entirety while the Phnom Penh still has some reservations. "Phnom Penh accepts about 97 percent of the plan," he said.

Cham said the UN plan does not pay sufficient attention to measures preventing the Khmer Rouge's return to power and to its genocidal policy. He also said the UN plan for troops demobilization is extremely risky.

Early in May, efforts to arrange a meeting between the resistance leader Prince Norodom Sihanouk and Prime Minister Hun Sen failed in Kuala Lumpur, according to Cham. He added he did not know whether Hun Sen would meet with Sihanouk in Jakarta.

A Bangkok diplomat said that it is highly likely that Sihanouk and Hun Sen will meet in Jakarta to discuss the composition of the Supreme National Council (SNC), which was set up last September, with six representatives each from Phnom Penh and the resistance but without a leader.

Since its establishment, the SNC has not functioned because the Cambodians could not agree on having Prince Norodom Sihanouk as its president and Hun Sen as his deputy.

Sihanouk was invited by President Suharto to visit Jakarta during the June 2-4 meeting. Prime Minister Anan Panyarachun yesterday hosted a dinner for Sihanouk, who stopped over here briefly en route to Indonesia.

Cham said that the non-communist groups have also accepted Phnom Penh's new appointees to the SNC, who were named in February, which he said was aimed at supporting Sihanouk as the council's leader. The three are Dit Munti, Sin Sen, Im Chhunlin.

"They (the non-communist) sent letters to us last week saying that they accepted the new members," he said, adding that the Khmer Rouge failed to respond.

He expressed hope that Sihanouk would accept the leadership with Hun Sen as deputy. "Sihanouk cannot stay out of the SNC forever," he said.

Cham was in Bangkok to attend an international conference on the Asia-Pacific region organized jointly by the Hawaii-based East West Center and Chulalongkon Uniersity's Institute of Security and International Studies.

In a paper presented at the conference on Thursday, he said that Phnom Penh has worked out concrete measures to prevent the return of the genocidal policy, which will be tabled at the Jakarta meeting.

These measures include the maintenance of the government's armed forces, the dismantling of the Khmer Rouge as a political and military group, a pledge from all Cambodian factions and an international guarantee from the signatories of the Paris conference on Cambodia forbidding the recurrence of the genocidal policy and provisions in a new constitution preventing the return of that policy.

He also said that any future draft agreements on human rights should state clearly the non-return of this tragic policy.

Details of these measures were first raised during Phnom Penh Foreign Minister Hor Namhong's visit to the Soviet Union in May, according to a diplomat.

He also said that the Khmer Rouge members with the exception of the top leaders, would be able to participate in an election under a different banner after they rennouce the genocidal policy. Phnom Penh named at least nine Khmer Rouge leaders who should be prevented from taking part in an election which included Pol Pot, Son Sen, Ieng Sary, Ta Mok, and Khieu Samphan, among others.

As far as the disarmament process is concerned, Cham said that immediately following the ceasefire, there must be regrouping of army units of less than 100, in cantonments. All weapons and ammunition should be confined to the cantonment under UN supervision, according to Cham.

Anan, Sihanouk Discuss Cambodian Problem

BK0106003691 Hong Kong AFP in English 1846 GMT 31 May 91

[Text] Bangkok, May 31 (AFP)—Visiting Cambodian resistance leader Prince Norodom Sihanouk held talks with Thai Prime Minister Anan Panyarachun here late Friday on the 12-year-old Cambodian conflict.

The talks were held over a private dinner the Thai premier hosted at a luxurious hotel in central Bangkok shortly after the former monarch arrived from Beijing.

Speaking to reporters afterwards, Mr. Anan said he believed that peace talks between representatives of the warring Cambodian factions which are scheduled to open in Jakarta on Sunday could achieve "some progress." Everyone hopes the meeting will make progress, he said, adding that the four Cambodian factions ought to put their country first.

The Cambodian people will only suffer more if the conflict drags on, Mr. Anan said.

Prince Sihanouk heads a Khmer Rouge-dominated guerrilla coalition fighting Phnom Penh's installed government.

The prince, still widely considered internationally as Cambodia's most respected leader, is to fly on Saturday to Jakarta where meetings of Cambodia's Supreme National Council (SNC) are to be held at the invitation of Indonesian President Suharto.

He will not attend the meetings because he is not a member of the SNC, which was formed last year under a U.N. peace plan to end the Southeast Asian nation's war.

(In Jakarta, Indonesian sources said Prince Sihanouk and Khmer Rouge leader Khieu Samphan are to travel to the Indonesian capital on the same flight as Cambodian Prime Minister Hun Sen.)

Mr. Hun Sen is expected here Saturday morning from Phnom Penh.

Mr. Anan said he had no plans to discuss the Cambodian problem with other faction representatives, including Mr. Hun Sen who, he said, is just "passing through Thailand."

The Beijing-backed Khmer Rouge, Cambodia's former radical Marxist ruling group, is the strongest member of a tripartite guerrilla coalition, also including followers of the prince and ex-Premier Son Sann.

Meanwhile, Julio Jeldres, senior private secretary to Prince Sihanouk, said the prince was "willing to meet" Mr. Hun Sen in Jakarta. Mr. Jeldres said the prince had not "put any condition" on such a meeting.

Prince Sihanouk is due to return here from Jakarta next Wednesday and leave for Beijing on Saturday, Mr. Jeldres added.

Prime Minister Anan Returns from Singapore

BK3105145991 Bangkok Army Television Channel 5 in Thai 1230 GMT 31 May 91

[Text] Prime Minister Anan Panyarachun and his delegation have returned from an official visit to Malaysia and Singapore as guests of the governments of those countries. It was the second overseas visit by this government. On his arrival, the prime minister held a press briefing on his trip. He said he discussed the issue of Thai fishermen with Malaysia. Malaysia has already set free a large number of Thai fishermen. He said Thailand asked Malaysia not to be too rigid with its law, but to also think about human relations. Thailand and Malaysia will meet in the near future in order to reorganize the fishing pattern. The prime minister warned Thai fishermen to be straigthforward in all their dealings.

The prime minister said he discussed mainly economic cooperation with the government of Singapore.

[Begin Anan recording] We have asked Malaysia not to apply the law too strictly; that means not to arrest and send to court whoever intrudes into Malaysia. We asked Malaysia not to overlook human relations while upholding their laws strictly. Malaysia acknowledged our proposal. [End recording]

Further on Visits

BK0106020691 Bangkok BANGKOK POST in English 1 Jun 91 p 2

[Text] Prime Minister Anan Panyarachun hopes ASEAN leaders will agree to bold new directions in economic cooperation during the organisation's summit early next year.

Mr Anan, who yesterday wrapped up his first visit as prime minister to Malaysia and Singapore, said he wants the Association of Southeast Asian Nations to discard long-held beliefs and adopt a new approach to cooperation.

Because member countries are at different stages of development, they have been led to believe they could not have substantial economic cooperation and competition, he said.

"I'd like to be able to bring a new concept. Yes, even if our economies are competitive there is room for substantial economic cooperation. You could call it competitive cooperation," he said.

ASEAN has done little to boost economic relations. Preferential Trade Arrangements, for instance, have not had much impact on intra-ASEAN trade.

The time is ripe for ASEAN to consider "unorthodox measures" at the summit as most member countries, including Thailand, Malaysia, and Indonesia, are moving rapidly towards trade liberalisation and opening up their economies.

The Prime Minister, during a press conference at the end of his visit to Singapore, said Thailand did not oppose the Malaysian proposal to form the East Asia Economic Grouping (EAEG).

Mr Anan said he supports the general objective of the proposal even though some of its elements need further study.

Countries critical of the proposal, particularly the United States, have objected to the idea, arguing it could weaken the Asia-Pacific Economic Coopereation (APEC).

Mr Anan, who was briefed by Malaysian Prime Minister Dr Mahathir Mohamad on the idea during their talks in Kuala Lumpur, said the approach has a valid point as he sees a need for consolidation of ASEAN's collective efforts in the economic field.

"The objective as proposed by Dr Mahathir does not have to be inconsistent with ASEAN or APEC. It can also provide a linkage or even a bridge between the ASEAN group and the APEC group."

But the Prime Minister said that to be successful the EAEG needs endorsement from ASEAN as a whole.

"For the EAEG to be completely successful, it has to be an ASEAN project," he said, adding Dr Mahathir is seeking views from all ASEAN leaders.

The proposal is going through proper channels as it is being studied by senior ASEAN officials and will be tabled at the ASEAN foreign ministers meeting.

On a call by Western nations for neighbouring countries to press for the restoration of democracy in Burma, the Prime Minister said such approach would be counter-productive.

"We believe that fundamentally this is an internal matter for the Burmese government to decide," he said. Thailand and ASEAN would prefer to persuade Burma that certain changes should be made.

Mr Anan hopes the upcoming round of the Supreme National Council between the four Cambodian factions in Jakarta will result in some progress towards restoration of peace in the wartorn country.

Throughout his visit, Mr Anan stressed that because of its interim nature his administration will pursue a low-profile foreign policy, especially on the Cambodian problem.

Navy Arrests Vietnamese 'Pirate Vessel'

BK0106080091 Bangkok Radio Thailand Network in Thai 0530 GMT 1 Jun 91

[Text] Foreign Ministry Spokesman Sakthip Krairoek reported that at 2200 on 31 May a ship of the Royal Thai Navy intercepted a Vietnamese pirate vessel at Losin Island inside Thai waters off Pattani Province. The report from the Navy said that its ship "Sattahip" was patrolling Thai waters when it came across the pirate ship, about 16 meters long, intruding into Thai waters. The Thai ship arrested the Vietnamese vessel, with 10 crewmen, one F-16 rifle, and one M-79 rifle. The Vietnamese ship and its crewmen have been placed under the custody of Thai authorities for interrogation.

The Foreign Ministry will coordinate with agencies concerned as well as the Vietnamese Embassy to settle the problem.

Government on Strategy for U.S. Aviation Talks

BK0306095991 Bangkok KRUNGTHEP THURAKIT in Thai 3 Jun 91 pp 1, 2

[Text] Sisuk Chantharangsu, director general of the Department of Aviation, talked to KRUNGTHEP THURAKIT about the possibility that the United States may use its Section 301 of the U.S. Trade Act as a bargaining tool in the aviation rights issue, in which Thailand has an advantage over the United States at present, by including the aviation issue in Thai-U.S. trade talks.

Sisuk said he personally feels that the United States should not do this because the two issues cannot be linked to each other.

"People who propose to include the two issues in the same negotiations are those who have no knowledge about aviation. In practice the inclusion would not work because they are completely different issues," he pointed out.

Sisuk said that although Thailand may agree on the U.S. proposal and allow the United States to operate a number of flights as desired, the United States will still not be able to do so. This is because Thailand and the United States do not share a border like Thailand does with, for example, Burma. Each country must fly over a third country and receive permission from that country too. If not, the United States will still not be able to fly past that country.

Suppose the United States wants to operate flights from the United States to Thailand via Hong Kong, and Thailand allows as many as 30 U.S. flights. But if Hong Kong allows only two U.S. flights, the United States will still not be able to fulfill its desire. You can see that, practically speaking, it would not work, Sisuk noted.

According to a source in the Communications Ministry, on 27 May Mahidon Chantharangkun, permanent secretary of communications, called a meeting of the Thai Government's delegation assigned to the Thai-U.S. aviation rights negotiations. The delegation included chief of the delegation Rungrot Siprasoetsuk and representatives of the Department of Aviation.

After the meeting, Mahidon declined to disclose details of the discussion saying he had to wait and see whether the government will later change its policy concerning Thailand's stance on Thai-U.S. aviation rights.

The source said the purpose of such a meeting of the Thai delegation on Thai-U.S. aviation rights is to discuss and prepare guidelines for the Thai-U.S. aviation rights negotiations slated for 12 June, following reports that the United States is preparing to use its Section 301 as a bargaining tool in the aviation talks, which may put Thailand in a disadvantageous position.

"There is a high possibility that the Thai-U.S. aviation talks will be postponed from June until July, because Thailand's negotiations delegation wants the Commerce Ministry to complete the Thai-U.S. trade negotiations first, so Thailand will be able to know the United States' stance," concluded the source.

Brazil To Purchase Rice; SRV Harvest 'Poor'

BK0306030991 Bangkok THE NATION in English 3 Jun 91 p B1

[Text] Local rice exporters have gained a shot-in-the-arm from news that Brazilian importers intend to order one million tonnes of top-grade rice from Thai exporters.

Wichai Siprasoet, president of Riceland International Co, said a group of Brazilian rice traders recently approached several Thai exporters to buy about one million tonnes of 100 per cent prime quality rice after Latin American crops were damaged by a severe drought.

He expected Brazil to purchase an additional 500,000 tonnes from neighbouring countries such as Uruguay and Argentina.

Brazil has not ordered any rice from Thailand during the past three years because of reported dissatisfaction with the high moisture content of the Thai rice. The United States was the major supplier of rice to Brazil during that period, according to Wichai.

The relatively small harvests of other rice-producing countries such as Burma, China, Bangladesh and the United States as well as exchange rate fluctuation have prompted Brazil to look to Thailand, he added.

Burma, plagued by volatile currency exchange rates, is unattractive while China's liberalization programmes have boosted the country's grain exports considerably, Wichai said.

Meanwhile, Vietnam, which recently emerged as Thailand's major rival in the export of low-quality rice, has seen much of its rice stock depleted following a poor harvest. Bangladesh and the Mississippi Basin in the US, a major rice-growing region, have been hit by rainstorms and floods, he added.

Wichai, whose company is the leading producer and exporter of prime-quality parboiled rice, said the situation created an excellent opportunity for Thai rice exporters to capture a share of the Brazilian market, but warned that the quality of the grain must be high.

Kangwan Tantiphonganan, the managing director of Nanapan Enterprise Co, said the visit of the Brazilian traders implied that they would conclude a deal with Thai suppliers. If an agreement can be struck, he expected the first shipment to arrive in August.

Sources in the rice export business said the quality of Thai rice remains a sticking point in the talks with the Brazilian buyers. Some of them, they added, required samples of the grains for examination. The negotiations are in the early stages, they added.

Nevertheless, a small group of exporters has succeeded in concluding contracts for about 20,000-30,000 tonnes of both 100 per cent and five per cent grade rice. The deal was made through the US-based Continental Grain Co.

The selling price was quoted at about US$339 a tonne C&F (Bt8,475 [baht], including transport fees). The shipment will be delivered at the beginning of next month.

"The sales volume will depend on the prices, quoted by Thai exporters," a source said.

Woraphong Phitchaphongsa, managing director of Capital Rice Co, said his company was also contacted by the Brazilian buyers and was now negotiating the terms of a contract. Brazil, he said, wanted high quality rice.

The sources revealed that several traders declined to disclose details of their terms due to fears that they would be undercut by rival exporters. Some exporters even covered up the sales by saying that the rice was destined for Chile.

Wichai of Riceland International said he expected Bangladesh to order rice from Thailand this year because a large part of its crop had been damaged by typhoons. However, the local rice stock is expected to last until September at 500,000 tonnes, leading to possible price increases.

But he said the price increases would be temporary because the US crop will be released to the market after Setember. At present, a haab (60kg) of 100 per cent rice costs Bt445 after rebounding from a recent low of Bt410.

The 1990-91 world rice production is expected to total 515.2 million tonnes, rising from 508.01 million tonnes the previous year.

PRC President, Others To Pay Official Visit

BK0106053291 Bangkok Voice of Free Asia in English 1500 GMT 31 May 91

[Text] President Yang Shangkun of China will pay an official visit to Thailand during 10 to 15 June, the Foreign Ministry announced yesterday.

His Majesty the King will host a dinner for the Chinese President and his delegation on 10 June. President Yang will present to the king 3,700 copies of the Chinese version of the Tripitaka from ancient King Qianlong era of the Qing Dynasty.

His Royal Highness Crown Prince Maha Wachiralongkon will represent the king in taking the president to visit Phuket and Phangnga during 13 to 15 June. Prime Minister Anan Panyarachun will call on the president, after which he will host a state banquet in honor of the president at Government House.

Accompanying the president will be Foreign Minister Qian Qichen, Vice Foreign Minister Xu Dunxin, and Vice Minister for Economic Relations and Foreign Trade Wang Wendong. They will meet with senior government officials for talks to bolster bilateral cooperation.

Further Reportage on Phone Dispute

Anan as Mediator

BK0106040091 Bangkok BANGKOK POST in English 1 Jun 91 pp 1, 3

[Text] The National Peace-keeping Council [NPKC] and the Government will meet on Monday to discuss the controversial 100-billion-baht telephone deal, as the dispute over the deal between Transport and Communications Minister Nukun Prachuapmo and his deputy Gen Wirot Saengsanit worsened yesterday.

Prime Minister Anan Panyarachun announced on his return from Malaysia and Singapore yesterday that he would uphold the Cabinet's decision on Monday to endorse Mr Nukun's proposal to cut up the phone project to prevent a monopoly.

All ministers must honour the Cabinet decision, Mr Anan said, apparently referring to Gen Wirot's accusation that the Cabinet resolution was illegal and his threat to quit the Cabinet if the deal collapses.

"I have wanted to resign since they appointed the Telephone Organisation of Thailand's [TOT] board of directors without my knowledge.

"I still want to resign. If I quit, other military ministers will follow. This will be a big issue. I have to stay for now, because if I resign now, I can assure you that the Interior Minister will also quit," Gen Wirot said.

His statement was the first open criticism of Mr Nukun's proposal to cut the Bangkok telephone project into two zones, with CP [Charoen Phokphan] Telecom likely to be awarded one zone and the rest of the country.

The proposal was handed to CP Telecom on Thursday.

Under Prime Minister's Office procurement regulations established in 1978, Mr Nukun's proposal was considered a new bidding offer and was thus unlawful, Gen Wirot said.

The Government should pursue negotiations with CP Telecom an affiliate of the Charoen Phokphan Group—under the original terms of the deal, he said.

"If no agreement could be reached, only then can a new bidding be called," Gen Wirot said.

In a show of disagreement with the new proposal, the deputy minister reportedly left Mr Nukun's office before the meeting with the CP Group led by president Thanin Chiarawanon.

The Government might be sued by CP Group for altering the terms of the project, Gen Wirot said.

The proposal had not received Cabinet approval but had merely been tabled at the meeting on Monday for "acknowledgment," he claimed.

"The revised proposal was worked out solely by Mr Nukun, not by the four-member committee formed by the Prime Minister," the deputy minister said. The committee comprised Mr Nukun, Gen Wirot, Assistant Army chief Gen Chatchom Kanlong and PM's [Prime Minister's] secretary-general Sathaphon Kawitanon.

He had told Mr Nukun he was upset about not being kept informed about the project before leaving the office, Gen Wirot said.

"I am responsible for the TOT and I should have been kept informed," he said.

Mr Nukun had said he had not told Gen Wirot about the latest development in the talks because he thought the deputy minister had been too busy.

"I don't know anything about the TOT. Mr Nukun has handled all the work, particularly the CP deal. I am responsible for the TOT but know nothing about its affairs," Gen Wirot complained.

The committee originally was to reach agreement on the conditions of the deal before beginning negotiations with CP Group, he said.

"What's the use of calling the CP to talks when we have not been able to reach agreement among ourselves?" he asked.

The negotiations could not be held if the terms of the deal differ from those in the bidding contract, he said.

There had been attempts to have the CP deal killed, which was why the World Bank had been brought in to assess the Group's offers, he claimed.

He had no corrupt motive in defending the CP deal, Gen Wirot said, adding that he only wanted to ensure fairness for the company.

"I am only doing it in the interests of the country," he said.

He had declared his assets with the Counter Corruption Commission three times, he said.

He would present his views on the project to the NPKC and the Government at the meeting on Monday, he said.

The NPKC has not been fully informed about the controversy, he said.

The Prime Minister, talking to reporters last night at Don Muang Airport, said the Cabinet had reached a decision on the telephone project after extensive debate, and Minister Nukun's action had been in line with that resolution.

He had not been informed about the conflict between Mr Nukun and Gen Wirot, he said, "but both Khun Nukun and Gen Wirot are in the Cabinet, and since the Cabinet had decided on the issue, both will have to comply with that resolution."

Meanwhile, a source close to Mr Nukun said foreign bankers are closely watching the telephone deal.

"The NPKC has cited corruption as one of the main reasons for ousting the Chatchai Chunhawan Government. The telephone project was reportedly not handled correctly by that government. So, if the project is awarded to CP without any changes, it may mean the Anan administration and the NPKC are tolerating 'irregularities' of the old government," the source said.

The source said there are three ways the project could be pursued:

—The Anan Government could insist on dividing it and CP Group could accept it;

—CP could reject the proposal and withdraw, meaning the Government would have to call for new bids; or

—The Government could bow to CP Group and grant it the full project.

"If the last course is taken, Mr Nukun may have to consider quitting his portfolio," the sources said.

General Plays Down Conflict

BK0306021191 Bangkok BANGKOK POST in English 3 Jun 91 p 1

[Text] Assistant Army Chief Gen Chatchom Kanlong yesterday played down the conflict between Transport and Communications Minister Nukun Prachuapmo and his deputy Gen Wirot Saengsanit.

Gen Chatchom's move came after he met Interior Minister Itsaraphong Nunpakdi and Finance Minister Suthi Singsane for more than one hour at the Army Golf Course yesterday.

Gen Chatchom, who sits in the four-man committee appointed to review the telephone project, described the conflict between Mr Nukun and Gen Wirot as a difference of opinion.

He said there was no problem between the National Peace-keeping Council and the Government.

Asked whether he had a solution to offer Prime Minister Anan Panyarachun, Gen Chatchom said he did.

The general said the difference over the telephone project could be patched up through talks.

However, he said he had not been informed that the proposal to split the telephone project into four zones had been approved by the Cabinet.

Communications Minister Responds

BK0306020191 Bangkok BANGKOK POST in English 3 Jun 91 p 1

[Text] The 100-billion-baht telephone project dispute escalated yesterday with Transport and Communications Minister Nukun Prachuapmo responding to criticism from his deputy, Gen Wirot Saengsanit.

"The problem should have been between the Transport and Communications Ministry and CP Telecom. But it has turned out to be between me and Gen Wirot. I really do not know how this has happened," Mr Nukun said.

The minister also expressed dismay about conflict over the project, saying he is confused and still does not know with whom he is negotiating.

Mr Nukun's comments came on the eve of today's meeting between the Nation Peace-keeping Council [NPKC] and the Prime Minister during which the telephone controversy is expected to be discussed.

Mr Nukun, describing himself as "not a problem in the conflict," said he would not raise the issue at the meeting and would leave this to Prime Minister Anan Panyarachun—if the premier feels the matter should be discussed.

Interior Minister Gen Itsaraphong Nunpakdi, who is Telephone Organisation of Thailand chairman and NPKC secretary-general, said the phone project is not on the meeting schedule but participants are free to raise the problem for debate.

Gen Wirot, criticising Mr Nukun, for reportedly masterminding a move to split the telephone project into four zones, said he would present his side of the conflict at today's meeting.

Talking on his return from a visit to Singapore yesterday, Mr Nukun denied working out the zoning proposal himself. He said this had been adopted as an informal Cabinet decision on May 27 and he was implementing that resolution when he invited representatives of CP [Charoen Phokphan] Telecom, led by president Thanin Chiarawanon, for talks last Friday.

"If Gen Wirot disagree with the resolution, then he will have to talk to the Cabinet," the minister said.

Mr Nukun said that he had only raised a point—that the contract which was to be award to the CP Telecom would lead to a monopoly—and this led the Cabinet to propose dividing the project.

The company had been invited to be informed about the proposal.

"It (CP Telecom) can accept what it can and negotiate on what it can't. The negotiations are due this week. We will talk with understanding and flexibility. There was no ultimatum. The CP president, Mr Thanin, understands this very well."

Mr Nukun confirmed he had gone ahead in inviting CP Telecom to be informed about the Cabinet resolution without discussing the resolution further in the four-man committee comprising himself, Gen Wirot, Army assistant chief Gen Chatchom Kanlong and PM's [Prime Minister's] Secretary-General Sathapon Kawitanon.

This was because he did not want to waste time arguing with other members over the resolution, he added.

The invitation for CP Telecom to be told about the proposal had at least kicked off negotiations. This would enable CP Telecom to assess the proposal and to negotiate on points it disagrees with.

Mr Nukun scoffed at Gen Wirot's comments on Friday that he had not treated the general with honour.

"I didn't know he feels that way. I am sorry if he really thinks so. I did not do anything which was an insult to him. A general is an honorable position in the Army. Who would dare do so?

"I have treated him with full honour. I may not report to him every day about the project—I am not sure whether or not I need to do that—but I treat him with full honour because I know that he is the Army's chief of staff.

"He had both power and influence. Nodody dares to refuse to honour him. I am afraid of him very much," Mr Nukun said.

Asked by reporters if he definitely would not resign come what may, Mr Nukun said he could not comment about the future.

He declined to say if he would try to compromise.

"I don't know. I am not the problem."

He also refused to comment on who he thinks is the problem.

The minister denied he had taken the opportunity to raise the telephone issue at the May 27 Cabinet meeting when both Gen Wirot and Gen Itsaraphong were absent.

He said the issue had been raised at the meeting because of the urgency of the deadline set by the Prime Minister.

"If it was not raised on May 27, how many days would have been left to negotiate with CP Telecom? It is still unknown if any agreement can be reached," Mr Nukun said.

The minister said the project is very important and any agreement reached through talks with CP Telecom must receive Cabinet approval.

"Nobody should worry needlessly over who will or will not be given the contract. The Cabinet will still have to be consulted," Mr Nukun said.

Mr Nukun said the ministry's stand and CP Telecom's positions on the new proposal should be known by Friday or Saturday. However, the ministry's proposal might be difficult for CP Telecom to accept.

"I can say this in advance. I still do not know who is negotiating with whom at present. I am just confused."

Mr Nukun said he does not expect a review of the project would hurt the investment climate in the public sector. The Government setting the project on the right course.

"If things are allowed to begin wrongly, problems will follow."

He said the Finance Ministry is drawing up measures to control the Government's major investments to prevent the same problem recurring.

Only a few people were involved in the telephone project despite the fact that it involves hefty investment and would bind the Government for many years.

Asked about the Prime Minister's comment that the Government would be flexible in negotiating with CP but would uphold its principles in talks, Mr Nukun said he expects the Premier to pass on that negotiating method to him later.

"But I am too old to change my working style," said Mr Nukun.

Columnist Views Widening Conflict Over Phone Deal

BK0206023891 Bangkok BANGKOK POST in English 2 Jun 91 p 2

[From the "Weekend Analysis" column by Banyat Thatsaniyawet]

[Text] The conflict between the National Peace-keeping Council [NPKC] and Prime Minister Anan Panyarachun's Government over the 100-billion-baht telephone project has reached boiling point.

The complications from the conflict appear to have such far-reaching impact that no one can really predict what will happen to his interim government.

The simmering differences between Transport and Communications Minister Nukun Prachuapmo and his deputy, Gen Wirot Saengsanit, over the telephone deal exploded after a four-man committee appointed by Mr Anan and led by Mr Nukun met on Friday to discuss the project.

Gen Wirot, the Army Chief-of-Staff, and Gen Chatchom Kanlong, an assistant Army Chief and a member of the committee, reportedly left Mr Nukun's office in anger shortly before Mr Nukun met the Charoen Phokphan [CP] Group representatives, led by president Dhanin Chiarawanon, to discuss the ministry's proposal.

The two generals reportedly were enraged by the proposal to cut up the telephone deal into four zones—two in Bangkok and two in the provinces—with CP Telecom being offered the chance to operate one of Bangkok's zones and having to tender for one of the provincial zones.

Gen Wirot has openly announced his opposition to the proposal, saying it violates the PM's [Prime Minister's] Ofice regulations because tenders had already been called and any attempt to divide the original project would be unlawful.

The general also said if the deal is split up, CP Telecom should be given the right to bid for the second Bangkok zone.

The question of CP Telecom monopolising the telephone service should be dealt with in the contract, the general said.

The dispute which led to Gen Wirot's apparent showdown and is threatening relations between the NPKC and the military-installed Anan administration began to simmer after several parties involved studied the deal and came to a unanimous conclusion that the contract would disadvantage the Government.

Central bank experts, the World Bank and government-appointed screening committee led by M.R. Chatumongkon Sonakun also agree that the contract the Telephone Organisation of Thailand [TOT] is planning to award CP Telecom would lead to a monopoly.

A "yellow book" prepared by the Government's economic screening committee of Deputy Prime Minister Sano Unakun and Minister Phaichit Uathawikun of the PM's Office was distributed at a recent Cabinet meeting and drew the Cabinet's attention to the following points:

—The selection of CP Telecom did not comply with the TOT's announced conditions. CP Telecom has no ability to acquire and install the telecommunication system as set forth by Transport and Communications Ministry. British Telecom, a minor partner in CP Telecom, is a consultancy and not the contractual partner in the deal.

—CP Telecom's contractual responsibilities are ambiguous. The company can constantly adjust its own working schedule, including that involving the installation of telephones in Bangkok and the provinces. With such ambiguity, it is difficult to interpret legally the scope of the company's responsibility, which leads to an uncertainty in the telephone service. One of the clauses contains wording which might give the company the right to ask for an additional share of the revenue.

—CP Telecom would not be bound by the contract to take investment risks which are the responsibility of the investor. The contract also offers an opportunity for the firm to direct Government policy and establish a monopoly. The contract had been so broadly drawn up that the emergence of certain problems such as strikes, high inflation and interest rates, and tax increases could be cited by the firm to avoid complying with its contractual responsibilities.

—The TOT would be bound by the contract to shoulder several responsibilities for CP Telecom, such as servicing subscribers, allowing the firm to use its existing property and to share the investment cost to improve the existing system to make it compatible with that to be used by CP Telecom. The TOT would also be bound to help maintain some of the equipment. These responsibilities were so vast that they could lead TOT to operate at a loss.

It is believed the above reasons led to Mr Nukun coming out publicy to say the CP Telecom deal would put be against the Government's interests and should be reviewed.

Meanwhile, Gen Wirot and Interior Minister Itsaraphong Nunphakdi, who is TOT chairman, insist the telephone project must not be allowed to be postponed further because it is urgent.

Mr Nukun's proposal which won Cabinet approval drew strong reaction from Gen Wirot, who oversees the TOT, because the general believes he is responsible for the state enterprises's work but has not been given a say on the matter.

Gen Wirot stormed out of Mr Nukun's office and gave an interview saying he could not tolerate the proposal because it would violate the PM's Office regulations. He suggested CP be encouraged to choose to invest in either Bangkok or the provinces, if a monopoly is to be prevented.

The rift turned out to be more worrying when Gen Wirot confirmed that Gen Itsaraphong had refused to attend five Cabinet meetings after the conflict surfaced because the minister felt he had not been treated honorably.

Gen Wirot also said he had consulted Army Chief Gen Suchinda Khraprayun and had told his boss he wants to quit the Cabinet because he feels the Government has not treated the Army with honour. Gen Suchinda, however, asked him to stay.

Gen Wirot said that the Prime Minister must make the decision after Mr Nukun's proposal is forwarded to the Cabinet.

"If he decides to split the deal into four zones, I will have to quit the TOT board because the division of the deal will be illegal. And if the conflict expands, I will have to go back to the Army," Gen Wirot said.

The crack in NPKC and the Government relations has turned more delicate and sensitive beyond the question of who is right and who is wrong. It has expanded to involve the dignity of the military institute.

The problem has gone beyond the question of whether or not Mr Nukun or Gen Wirot will stay or will go. It's more a question of how long the Prime Minister can withstand pressure relating to the issue.

NAP Moves To Win Support in South

BK0306030191 Bangkok BANGKOK POST in English 3 Jun 91 p 4

[By Soemsuk Kasitpradit]

[Text] Will the Democrat Party retain its four-decade-old grip in the South and stave off a certain challenge by the New Aspiration Party [NAP] of former Army chief Gen Chawalit Yongchaiyut in the next general elections?

A total of 43 parliamentary seats will be at stake and the Democrats say they are confident of winning at least 20 seats. But the NAP's prospects are strengthened particularly in the four Muslim-dominated provinces of Pattani, Yala, Narathiwat and Satun, as former Muslim MPs from the Solidarity and Chart Thai parties have agreed in principle to join Gen Chawalit's NAP.

Of the nine seats available in these four provinces (three in Pattani, three in Narathiwat, two in Yala and one in Satun) six former MPs [members of parliament] are from Solidarity, with one each from the Democrat, Chat Thai and Social Action parties.

Former five-time MP of Pattani and Solidarity team leader, Den Tohmina, said his team had one condition for joining New Aspiration Party—that the team must approve the selection of NAP candidates in the elections in their area.

But disagreement has emerged between Mr Den's group and former Interior Permanent Secretary Phisan Mulasatsathon, a senior NAP member, who has asked Mr Den to run in his constituency with his former political rival Tawisak Abdunbut, formerly of the Social Action Party.

Local political observers agree that members of Mr Den's faction are very popular and the inclusion of their group within any party would assure that party's strength and credibility in the area.

"Politics in the region is closely connected with personalities and Mr Den's faction has much credit on this. I don't think that NAP's popularity would be possible without the inclusion of these former MPs from his (Mr Den's) group," said a senior Army officer who closely monitors political movements in the area.

One top Democrat in the area admits that the party has not much hope of success in the four southernmost provinces.

Mr Den's faction includes former Narathiwat MPs Ariphen Uttarasin, Seni Madakakun, Prinya Jetapiwat, Pattani MP Pricha Bunmi, Yala MP Wanno Matha and Satun MP Withun Langchi.

The central South comprises the largest area—and of course the most parliamentary seats—27 in the five provinces of Surat Thani (five seats), Nakhon Si Thammarat (nine seats), Songkhla (seven seats), Phattalung (three seats) and Trang (three seats).

The Democrats consider this area to be their stronghold because in the 1986 general elections they won 26 seats. But this track record dropped in the last general elections when they won 13 seats.

Democrat Party leader Chuan Likphai frankly says he expects a fierce campaign against the NAP but is confident his party will come out on top.

He hopes the party retains Surat Thani, Songkhla and Nakhon Si Thammarat where it swept all seats in the 1986 general elections.

Democrat sources said the party is negotiating with former party members in Nakhon Si Thammarat to persuade them to run under the party banner, namely two-time former MPs Narong Nunthong, Samphan Phaenphat and Thongchat Rattanawicha.

They broke with the party in the last election because of an internal rift.

Four former MPs in the province agreed to join with NAP, namely, former Chat Thai MP Gen Han Linanon and three former MPs from Solidarity—Chamni Sakdiset, Sutham Saengprathum and Witthaya Kaeoparadai.

Top Democrats are former MPs in the central South. They are Khunying Suphattra Matsadit, Samphan Thonsamak, Surin Phitsuwan, Trairong Suwannakhiri, Amnuai Suwannakhiri, Sawai Phatthano, Suthep Thuaksuban and party deputy leader Banyat Banthatthan.

Mr Banyat is responsible for political campaigning in the South.

NAP has assigned former Democrat secretary-general Wira Musikaphong, former Phattalung MP, as its political campaigner in the region.

"No one can underestimate his influence in the area. His outspoken style impresses the local people and I'm confident that this time the Democrats will face a tough fight with NAP. It would be an-eye-for-an-eye battle," commented the top Fourth Army officer.

However, seven-time MP Chuan played down the impact Mr Wira would have in the campaign, adding that the party will not have much trouble from him.

Mr Wira's credibility has been tarnished by his own political moves, having changed parties thrice in the past three years.

Mr Wira left the Democrats in 1988 to form the Prachachon Party, then joined Solidarity last year before linking up with the NAP earlier this year.

NAP expects to get about 10-12 MPs in the central South and expects its strongest candidates will be in Phatthalung and Nakhon Si Thammarat.

In the upper South where seven seats are being contested, the NAP expects to dominate this area which includes Phuket, Ranong, Phangnga, Krabi and Chumphon.

Several former MP's in the area have agreed to join NAP and this will help boost party prospects. These former MPs are Sombun Sitthimon (former Krabi MP), Jaturon Khotchasi and Thiraphan Phetsuwan (former Chumphon MPs).

In Phuket, reliable sources said Mr Wira has contacted former senator Ekkaphot Wanit to field his daughter Anchali in the next elections.

NAP hopes that Gen Han will be able to take Phang-nga, succeeding Dr Uthai Chindaphon, a respected doctor in the province. The Democrats are expected to field Churin Laksanawisit in this province.

The Democrats' problem in the upper South stems from its lack of credible personalities and potential candidates and this could deprive the party of stronger prospects in this area.

Vietnam

Nguyen Van Linh Greets Indian Party President

BK0106152791 Hanoi VNA in English 1358 GMT 1 Jun 91

[Text] Hanoi VNA Jun 1st—General Secretary of the Communist Party of Vietnam Central Committee Nguyen Van Linh has sent a message of greetings to P.V. Narasimha Rao on his election as president of the Congress Party (I) of India.

Nguyen Van Linh expressed his belief that the Congress Party (I) will, under the leadership of the new president soon overcome this stage full of challenges and (word indistinct) and greater achievements in the struggle for India's peace, national independence and unity, development and prosperity.

U.S. Children's Fund Promotes Development

OW0206145891 Hanoi VNA in English 0614 GMT 2 Jun 91

[Text] Hanoi VNA June 2—Four poorest villages in Quang Xuong District in the central province of Thanh Hoa have become pilot sites for a development programme funded by the Save the Children Fund (SCF) of the United States. The programme is aimed at building a model of rural development for Thanh Hoa.

Since December 1990, SCF has carried out health check-ups for 2,000 under three children, worked out a plan to take care of them, and opened newborn care courses for 70 creche nurses. After three months, 25 per cent of the programme beneficiary children put on weight.

SCF has also given financial assistance to poor families in the four villages Quang Khe, Quang Trung, Quang Vinh and Quang Phuc to raise poultry, shrimps and fish, and make handicraft goods. It has also helped the villages renovate their infirmaries and build a number of safe water wells, latrines and child care centres.

SCF has so far contributed more than 20,000 U.S. dollars to this programme. In future, this programme will be extended, providing loans for farmers to promote economic production, and carrying out a plan to care for expected mothers.

France's Danielle Mitterrand Ends Visit

BK3105152091 Hanoi VNA in English 1403 GMT 31 May 91

[Text] Hanoi VNA May 31—Mrs. Danielle Mitterrand, the first lady of France and president of the France-Liberte Foundation, has described as successful her visit to Vietnam.

Mrs. Mitterrand arrived in Hanoi on May 23 and three days later she left for a four-day tour of Cambodia. On May 29, Mrs Mitterrand came back to Vietnam to visit Ho Chi Minh City and Quang Nam - Danang Province (Central Vietnam).

While in Vietnam, Mrs. Mitterrand was received by party General Secretary Nguyen Van Linh, Gen Vo Nguyen Giap (word indistinct) also received the French guest and invited her to dinner at the Government Guest House.

Mrs Mitterrand met with Phan Hien, minister of justice; Mrs Nguyen Thi Hanh, vice-minister of labour, war invalids and social affairs; a number of Vietnamese writers, film directors, actors and actresses, Bishop Nguyen Van Thuan, and others.

She also visited the people-funded Thang Long College, the Hanoi Institute of Mother and Child Care and a number of orphanages and humanitarian centres in Hanoi, Da Nang and Ho Chi Minh City. According to Mrs Mitterrand, the visit to Vietnam helped her and her party better understand the country, particularly its need for humanitarian aid . The France-Liberte Foundation would work out specific projects on humanitarian assistance to Vietnam in the near future.

State Council Communique on 31 May-1 Jun Session

BK0206125591 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 2 Jun 91

["Communique of the Council of State"]

[Text] The SRV Council of State met on 31 May and 1 June under the direction of its Chairman Vo Chi Cong.

1. After hearing ideas contributed by National Assembly deputies and delegations of the Nationalities Council and other standing committees, the Council of State decided to convene the 9th Session of the Eighth National Assembly in late July 1991, and adopted the draft agenda of the session.

2. The Council of State heard a report of the chief judge of the Supreme People's Court on the draft revision to some provisions of the criminal code and an investigative report of the National Assembly's Judiciary Committee on the same subject. During the past period, crimes and criminals developed in a complicated manner, thus it is necessary to revise some provisions of the criminal code to meet the requirements in the present struggle to prevent and curb crimes and criminals. The Council of State provided some advice for the National Assembly's Judiciary Committee and the Supreme People's Court to perfect the draft revision for submission to the National Assembly at its ninth session.

3. The Council of State also gave advice on the draft regulation on labor safety and hygiene presented by a representative of the Council of Ministers. After hearing an investigative report by the National Assembly's Economic, Planning, and Budget Committee and the Judiciary Committee, the Council of State noted that development of the multicomponent commodity-based economy and industrial progress in various aspects of the national economy requires the promulgation of this regulation in order to enhance the state management in ensuring labor safety and hygiene. The Council of State assigned the National Assembly's Economic, Planning and Budget, the Judiciary Committee, and the Council of Ministers' Drafting Committee to perfect the draft regulation on labor safety and hygiene for submission to the Council of State for approval.

4. The Council of State heard its anti-corruption committee led by Comrade Nguyen Van Tu, member of the State Council and chairman of the Confederation of Vietnamese Workers, report on results of curbing corruption and goods smuggling and on the implementation of rules and regulations on taxation in Quang Nam-Danang Province from 2-10 May 1991. The Council of State approved remarks, conclusions, and proposals made by the committee. The Council of State commended the people's council and people's committee of Quang Nam-Danang for their efforts in supervising various echelons, sectors, law enforcing agencies, and grass-roots units to curb corruption and goods smuggling while striving to overcome the shortfall in tax collection. However, after almost one year of implementation, the province still scored low results. For this reason the provincial authorities should strive to settle serious cases of violations involving cadres with position and authority. The Council of State reminded the Council of Ministers to enhance its guidance to sectors and localities in the struggle against corruption, goods smuggling, and tax evasion. The control, judiciary, inspection, customs, and police sectors must enhance their coordination to seriously and promptly deal with corruption and goods smuggling, take concrete measures to confiscate state and collective property misused by some sectors, and inform the people and cadres—through various mass media channels—of the punitive measures taken against the violators.

Vo Chi Cong's Letter for World Children's Day

BK0206103591 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 31 May 91

[Text] Dear teenagers and children,

You are celebrating International Children's Day (1 June) this year while our country is having many emulation activities to welcome the Seventh National Party Congress; mark the 50th Founding Anniversary of the Ho Chi

Minh Vanguard Teenager Unit; and support the international announcement on children's survival, protection, and development. On this occasion I would like to send my warmest and dearest affection to the Vietnamese teenagers and children in the country and overseas.

Dear nephews and nieces,

In the 1990-1991 school year you had many interesting and useful activities; you tried to become good children, students, and Uncle Ho's nephews and nieces. Your "speak and do good things" movement also contributed significantly to the emulation movements in the country.

I am very pleased at your achievements and I hope you will continue to become good citizens in the future.

In the past, with their affection and responsibility, the grandparents, parents, teachers, and siblings, and the echelons, sectors, mass organizations, social forces, and national and overseas charity organizations have positively contributed to the movements for protection and caring for the teenagers and children showing an active response to the UN Convention on Children's Rights.

I hope that the echelons, levels, social organizations, and international organizations, together with our people, will effectively implement the action plans for development of Vietnamese children in the next ten years (1991-2000.)

I hope you enjoy International Children's Day and enthusiastically take part in useful, safe, and interesting summer activities. I send you many kisses.

Nguyen Khanh Attends Health Project Launch

BK0106154391 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 31 May 91

[Text] In coordination with the FAO [Food and Agriculture Organization] office in Hanoi, the Ministry of Public Health and the Management of Project 3844-3 held a solemn ceremony on the morning of 31 May in Hanoi to launch this project.

Attending was Comrade Nguyen Khanh, vice chairman of the Council of Ministers.

This is a major project to be deployed on a large scale over a three-year period. Not only is the project designed to satisfactorily manage food requirements and distribute food to targeted persons, it is also expected to develop its role as a driving force for all activities in connection with preliminary healthcare. Under this project, a pregnant mother will receive at least three embryonic examinations and two vaccinations against tetanus prior to her delivery and will have her health monitored throughout her maternity. Also, a child under three years of age will be weighed monthly and will be given preventive medicine against six diseases, by administering or injection. In addition, efforts should be made to reduce the extent of malnutrition.

Comrade Nguyen Khanh pointed out the socioeconomic significance of Project 3844-3 for maternal and child care in our country.

The comrade urged the leaders of the administration at various levels of the 11 provinces and cities benefitting from this project to closely guide the project management boards at various levels. They are also to encourage local communities to participate in fulfilling objectives, both in food management and in preliminary healthcare. All ministries and sectors concerned, especially the Ministry of Finance and the Aid Receiving Committee, should facilitate raising funds for the successful deployment of this project.

Leaders Attend Literature and Arts Conference

BK0106125191 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 30 May 91

[Text] The Central Committee of the Vietnam Literature and Arts Union held a conference in Hanoi on 28 and 29 May to discuss literature and the arts in the recent past to determine future directions and discuss vital issues to be presented at the upcoming seventh party congress.

Attending the conference were leaders of the union Central Committee, the specialized associations at the central level and some literary and artistic associations of provinces and cities; some well known writers and artists, and representatives of various concerned committees and sectors. Also attending and addressing the conference were Comrades Nguyen Khanh, vice-chairman of the Council of Ministers; Tran Trong Tam, head of the party Central Committee Department of Ideology and Culture; Pham Van Kiet, vice-chairman and general secretary of the Vietnam Fatherland Front Central Committee; and Tran Hoan, minister of culture, information, sports and tourism. Poet Huy Can, chairman of the Central Committee of Vietnam Literature and Arts Union, delivered the orientation report. The delegates provided analytical proof in their reports on the achievements of their sectors and localities on literature and the arts and on the renovation since the end of the sixth party congress.

Many delegates agreed to the report's observations and strongly criticized the errors and deviations in views, compositions and activities of certain people and literary and artistic units in recently. They condemned negligence and rightist leanings in leadership, guidance and management of literature and arts. The belittling and delaying of criticism was faulted too, as it allowed some bad and noxious works to appear in the market. They also criticized erroneous views that have harmed the spiritual life of the people, especially the younger generations.

The delegates expressed their heartfelt, thoughtful and fully responsible sentiments toward the party and the country's renovation process and their devotion to the people. They also contributed the most to stabilizing the current political and social situation.

Although the guidelines for shaping a new literature and the arts had different hues, all the views presented centered around two fundamental points: the national character and the socialist ideal. To fulfill this requirement, it is necessary to develop the creativity of writers and artists nationwide through proper leadership, organization, and management, with the concerted effort of party organizations, state management agencies, and literary and artistic organizations.

The conferees also petitioned the seventh party congress and approved a letter to be sent to their colleagues throughout the country. The letter stressed: It is now time to orient our life once again. We cannot leave the socialist path. To turn our backs on socialism is to leave the path of development and independence of our homeland. We came here from many places with very different artistic behaviors and bearings. We pledge to unite closely in the front for the sake of the fatherland and for socialism of the Vietnam literary and artistic circles.

We resolve to struggle against the plots and acts that take advantage of literature and the arts to jeopardize national security and the socialist construction and turn it into sinister tools.

Writers, Artists Union Issue Open Letter

BK0106154891 Hanoi VNA in English 1338 GMT 1 Jun 91

[Text] Hanoi VNA June 1st—Vietnamese writers and artists may take pride in having, together with the progressive mankind, sided with the conscience of our time, and as such, are now more resolved than ever to stride on the road of democratization, the road wide open to the vigorous development of the country. This vow is made in an open letter of the Vietnam Writers and Artists Union to writers and artists throughout the country and in the world [words indistinct] conference held by the union on May 29 in Hanoi. The letter reads: Since we are Vietnamese writers and artists of all generations, some already past eighty and having spent more than half a century writing or painting, some having taken up the career not long ago, but all having for a long time now pondered over the road on art and the common work of the country. Those among us who began their literary or artistic career in the days of national slavery have voiced their ardour for life as [words indistinct] and frustration as citizens of an enslaved nation. Many of us have lived under the neo-colonialist regime in the south where the enemy dragged their guillotine across one half of our divided motherland and they felt as if their own body was being slashed [words indistinct] on. However, all of us have lived the epic years of the life-changing August revolution, the earthshaking Dien Bien Phu victory, and the historic Ho Chi Minh military campaign. From the days of the resistance against the French colonialists when we left our homes with only a rucksack strapped to our shoulders to the days of the anti-US resistance when we crossed the Truong Son range barefooted or moved along the labyrinth of underground combat tunnels, we have lived and fought beside our countrymen from the south to the north, in the liberated zones and resistance bases, in areas behind enemy lines and enemy-held towns, united with the people like kith and kin and sharing the same shining truth 'nothing is more precious than independence and freedom'.

Today, gathering in an atmosphere of warm collegiality we have again the occasion to share our experience and our [words indistinct] had at heart all our life. Again we have the occasion to discuss the situation and prospects of our homeland just at the moment when the hostile forces are intensifying their attempt to push back but how can they? Shall we reconcile ourselves to be pushed to a corner of history and accept again the dependence—even though this may be a modern dependence-of the country and of our own life?

It is time for us to reminisce about our life and each episode of our life. From our own experience, from the lessons learnt at the price of our own blood, and from our love for our country we have opted for the socialist path. And not we alone. Having opted for the same path were the mothers of Cu Chi and Bac Wai, the guerrilla men and women deep in the tunnels of Vint Linh at the 17th parallel, hundreds of thousands of families of fallen heroes and heroines from the Red River Delta to the Mekong Delta, from Lang Son to Ca Mau Cape, men and women of all ethnic groups.

Together [word indistinct] also hundreds of thousands of workers who have sweated on the construction sites of the Da River and Tri An hydroelectric power plants, tens of millions of peasants who have daily toiled in all parts of the country, tens of thousands of intellectuals who are progressively taking science and technology of the country to the level of the modern world. Everyone of us, when comes the time to take bearings again for our life, again decide to march ahead steadily on the socialist path. Because to turn our back to socialism means to abandon the path of independent development of our motherland.

In our Vietnamese land, victim of so many invasions in the past, we have used literature and arts first of all as a means of survival wherby we joined the rest of the people in safeguarding the independence and freedom of our motherland and human dignity. With all our modesty we can say that we have together with the entire [word indistinct] fought and created to defend civilisation and defend a life in dignity. We may take pride in having together with the progressive [words indistinct].

We know full well that our country remains under developed in many respects and is meeting with innumerable difficulties. That is the reason why we need to renew and we must definitely carry out renewal. We are fully committed to the renewal that the party has launched. Renew [words indistinct] how can it be otherwise? Let us look at springtime. It has to crack the bark of trees to let the new sap bring [word indistinct] bud. It will be much more difficult to renew a whole society, renew a backward style of work and the stereotyped way of thinking.

Together with the entire people we are giving our might and main to the revitalisation of our country. With a high sense of [words indistinct] artists—citizens welare striding on the path of democratisation, the path wide open to the steady development of the motherland. We pledge to devote all our energy and talents to the building of a rich cultural life for the people in the whole country and to building a literature and art deeply imbued with the national and modern [word indistinct], develop the fine traditions of our forefathers and assimilating [words indistinct] of our time, thus doing our share in the creation of a new culture of humanity.

We come from different horizons, from many parts of the country and from different art schools with different styles. But we pledge to unite closely within the font for the motherland and socialism of Vietnamese writers and artists. We will fight uncompromisingly against all schemes and acts of using literature and arts to harm national security and the cause of socialist construction and transforming literature and arts into a tool to carry out these dark schemes.

We pledge to close our ranks around the Communist Party of Vietnam of which the seventh congress to open soon will be an important landmark in the history of the nation, so as together with the entire people to take the cause [words indistinct] to complete success. We convey our respects and gratitude to our compatriots throughout the country. We convey our kith-and-kin sentiments to our compatriots living abroad who are daily [words indistinct] the development of literature and [word indistinct] the country, and to all writers and artists residing abroad. We convey to our colleagues all over the world our distinguished and friendly greetings and our deep feelings of mutual comprehension in the common struggle for a long lasting world where only beauty and friendship will reign.

Essay Labels Party Critics 'Opportunists'

BK3105155391 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 26 May 91

[Essay by Trinh Dinh Thang of the Propaganda-Education College: "Our People Reject All Erroneous Viewpoints"]

[Text] Historical facts show that thanks to the Communist Party of Vietnam [CPV] leadership the Vietnamese people have been able to turn their country—although it was once enslaved and its name did not appear on international maps—into an independent and sovereign nation equal to other nations on this planet.

After more than 60 years of leading the revolution—which was laden with both victories and setbacks, shortcomings and mistakes—in this country, various generations of Vietnamese Communists have, for the most part, remained loyal to the country and faithful to the people. They have sacrified themselves for the success of the revolution. Whenever they do anything wrong, they boldly admit it for correction. With unity of mind, they have fought for the independence of their fatherland and the happiness of their people. Examples of their lofty sacrifices are innumerable. No one can deny this historical fact.

Today, faced with the complex developments of the international situation coupled with attempts by the imperialist forces to effect a peaceful evolution so they can get rid of socialist countries, a number of people have become confused and vacillated or, even worse, have become degenerate and deviant politically. Some of them have made an outright about-face by criticizing the party of the working class and the laboring people. They are using foreign mass media to air their erroneous views, distort the truth, and inflate or distort the national situation. With ill intention and hypocritical allegations, they have pretended to work for the sake of the people and the country. But they have, in fact, been trying to deceive and cajole the people, and erode the trust in the party among the people whose close attachment to the party has been maintained for half a century now.

With a non-historical outlook and with ill intentions, they have denied the all-round achievements scored by our people over the past several decades, especially since the sixth party congress. They have begrudgingly blamed all the negative phenomena and current difficulties and constraints for the party leadership, thus smearing the party. By doing so they have forgotten the fact that having just gone through a 30 year-long devastating war while having to cope with sabotage activities from various directions, our country, with a population of over 65 million and with a slow-developing economy, has managed to stand firmly on its own feet to achieve development. Isn't this an achievement?

With an outlook and assessment that lack objectivity and understanding, they have demanded that we renounce our socialist path. They shy away from such terms as communism and socialism on the grounds that they do not want a confrontation with capitalism and imperialism as they are seeking assistance from some Samaritan millionaires.

Were recent developments such as the Gulf war and the situation in a number of East European countries not enough to serve as an eye-opener for them to realize the nature and schemes of capitalism and imperialism? Could it be that they, as knowledgeable people, are ignorant about the law governing the evolution of history? If it is because they too fear the enemy or because they are against the people's interests that they dare not speak of the objectives of the socialist path—namely making the people prosperous and the country powerful with freedom and education for all—then why don't they come out with any new ideas except for certain shopworn theses which have long been harped on by bourgeois theorists? It is easy to criticize and decry other people for their performance but it is not easy when it comes to getting oneself to take action.

They are afraid that our people do not acquire democracy and that the Communist Party is impotent. One may ask if there is any party which has, after realizing its wrongdoings, stepped out to admit its faults before the people for correction as has the CPV? One may ask is there any regime that dares allow the people to openly contribute their views on the country's major policies in connection with the formulation of socioeconomic objectives, to discuss the upward path of our country's revolution, and to discuss the formulation of laws and policies in our country? In addition, the right to exchange information, the right to interpellate, and the right to file a lawsuit and dispute a claim in accordance with the law and in an organizational manner have all been guaranteed.

One may ask that in the history of the Vietnamese nation, is there any party which has made sacrifices, fought energetically, and associated itself with the people's interests as the CPV? Is there any party whose party members have been ready to face the guillotine or jail terms or to do anything even if they have to sacrifice their own lives or the happiness of their own families just because of the interests of the class, the people, and the nation?

Admittedly, negative or antagonistic elements may emerge while we are carrying out activities. But this is commonplace as the party is like a living body. What is important is that the party must take a stand against the negative actions of its cadres. For its part, the party has also set a goal for itself to strive to promptly undergo renovation so it can meet new revolutionary requirements. For the benefit of the people, the party has disciplined or removed from the party a not so small number of party members who have committed various mistakes and shortcomings and have infringed upon the people's interests. Many party members found violating the law have been prosecuted.

Democracy, as conceived by us, does not need an opposition or antagonistic force as the party and the people have achieved a unity in their common goals and interests. It is precisely because the party and the people share the same interests that we do not need pluralism and a multiparty system nor do we need opposition to be able to guarantee democracy and to direct the wisdom of the entire people toward serving the common objectives of the country. A broad section of the population testified to this at the recent party congresses at various levels.

Naturally, when faced with phenomenal and eventful changes, people may come up with differing views. This is commonplace as there are so many ways to reflect on the situation and exchange views about this, both directly and indirectly. If he is truly working for the country and the people, the certain abstruse intellectual would not need the help of foreign news media as this would turn him into a lackey or a hack-writer for the reactionary force and the lackey Quislings.

It should be recalled that patriotic Vietnamese who have associated themselves with the revolution and the communist party of this country are not so politically naive that they can be easily exploited by the opportunists.

Australia

Hawke-Keating Controversy, Outcome Reported

Labor Party 'in Turmoil'

BK3105041491 Hong Kong AFP in English 0345 GMT 31 May 91

[By Jack Taylor]

[Text] Sydney, May 31 (AFP)—Australia's governing Labor Party was in turmoil Friday as it prepared for a showdown almost certain to end the political career of either Prime Minister Bob Hawke or treasurer Paul Keating.

Two brief meetings of the parliamentary Labor Party failed early Friday to settle the leadership crisis triggered on Thursday by supporters of Mr. Hawke's formerly loyal deputy turned bitter rival, Mr. Keating.

As Mr. Hawke emerged from Friday's second meeting he claimed: "I win because I've got the numbers."

But few MP's, including even his most loyal supporters, were that confident of victory at the next meeting of the labor caucus, scheduled for 10:00 A.M. Monday (2400 GMT Sunday).

At least one cabinet member, left wing health minister and Hawke supporter Brian Howe, and a number of MP's from both camps were overseas and rushing back to Canberra for the meeting. Another minister, Attorney General Michael Duffy, echoed the feeling of many of his colleagues when he described the power struggle as a "tragedy" for the party.

No matter who wins, it will end an eight-year partnership which has helped labor to win four successive elections. And it will almost certainly end the political career of one of the two men whose simmering rivalry suddenly erupted into public bitterness on Thursday.

Treasurer is the equivalent of finance minister, a post Mr. Keating has held since Mr. Hawke became prime minister in 1983.

Although a challenge had been expected for months, party sources say Keating supporters were aware they did not have the numbers to topple Mr. Hawke in a straight leadership contest if it had been held Friday. Mr. Hawke, aware of this, brought forward a caucus meeting scheduled for next Tuesday to 8:00 A.M. Friday to confront Mr. Keating, whom he has accused of "treachery."

Mr. Keating said in a statement after the first meeting that Mr. Hawke had invited him to move that his position be declared vacant, but that a procedural wrangle had stopped a leadership vote being taken. He said he had asked his supporters to boycott the second meeting because "the leadership of the Labor Party deserves to be resolved in a proper way with the dignity of properly constituted meetings."

Both camps will work frantically throughout the weekend to bolster and increase their support, using persuasion, threats, the promise of favours or reminders that favours are owing.

According to former Minister Stewart West Friday, Mr. Keating is already very close to a majority. Mr. West said the party needs a change of leadership and a change of direction if it is to climb back from its lowly position in the polls.

Only last week, Mr. Hawke tried to play down speculation about leadership, telling parliament that he and his treasurer were "the deadliest combination in post-war Australian politics." But matters came to a head Thursday when spokesmen for both men confirmed reports that Mr. Hawke had made a secret promise in 1988 to stand down in Mr. Keating's favour after the 1990 general election.

Mr. Keating's office said it was Mr. Hawke's failure to honour this that eventually forced the challenge. Mr. Hawke's office said he had changed his mind in December, when Mr. Keating made a barely veiled attack on his leadership at a journalists' dinner.

Mr. Hawke felt this was "an act of treachery," his office said. And because of it he had decided that "all bets were off".

Mr. Keating now appears to have the advantage of the key labor powerbroker and strategist Senator Graham Richardson as his numbers man. It was Mr. Richardson who organised numbers for Mr. Hawke when he successfully challenged former leader Bill Hayden just before labor came to power in 1983.

Mr. Richardson was widely reported to have gone to Mr. Hawke on Thursday and said he should honour his pledge, adding that if he did not honour it he would face a leadership challenge.

Press Backs Keating

BK0106094491 Hong Kong AFP in English 0805 GMT 1 Jun 91

[Text] Canberra, June 1 (AFP)—The challenge to Prime Minister Bob Hawke by his deputy, Paul Keating, has hurt the Australian Labor Party and could damage its election prospects, a senior party official admitted Saturday.

Most metropolitan newspapers urged the 110 Labor MPs to back Mr. Keating for the leadership at a caucus meeting here Monday.

But an opinion poll suggested Saturday that two-thirds of voters would prefer Mr. Hawke to remain in office.

Mr. Hawke has won the last four general elections, while polls show that Mr. Keating, the national treasurer, or finance minister, is widely disliked at a time of economic hardship.

Labor's National Secretary Bob Hogg told journalists the power struggle had put the party "in a dreadful state."

Mr. Keating divulged Thursday that in 1988 Mr. Hawke had secretly promised to stand down in his favour after the

1990 election. Mr. Hawke's office confirmed the claim, but said Mr. Keating was guilty of "treachery."

Asked whether Mr. Keating would be an electoral liability, Mr. Hogg replied, "I do not believe it is axiomatic that having the treasurer as leader makes it impossible to win the next election."

Mr. Hawke and Mr. Keating both attended a meeting of Labor's National Executive here Saturday.

A spokesman said the executive discussed the agenda for the party's 100th anniversary national conference in Hobart this month, and that the leadership challenge did not come up.

Neither candidate spoke to reporters except for a terse "I'm as confident as I always have been" from the treasurer.

But Defence Minister Robert Ray said, "the best candidate will win and that's Bob Hawke."

Mr. Ray is one of 17 cabinet ministers who either have publicly declared their support for the prime minister, or have reportedly done so in private.

Eight ministers were believed to support Mr. Keating, and three were undecided on Saturday.

Conspicuously absent from the executive meeting was right-wing power broker Graham Richardson, who was until early this week a public and unconditional supporter of Mr. Hawke.

Mr. Richardson has not denied numerous newspaper and television reports that he has switched camps to Mr. Keating, and that he told Mr. Hawke on Thursday that he should resign.

Health Minister Brian Howe announced Friday night that he would stand for the deputy leadership if the post was open. He was speaking in Stockholm, where he cut short a visit to Europe to rush back to Canberra for Monday's vote.

Mr. Howe is a member of the 32-strong left-wing faction, whose votes are expected to determine the outcome of the struggle.

By announcing that he would "nominate" for the deputy's position, he was in effect endorsing Mr. Hawke as leader.

A public opinion poll published by THE AGE of Melbourne on Saturday indicated that 66 per cent of voters thought Mr. Hawke makes a better prime minister than Mr. Keating would.

Among 665 people questioned in Melbourne and Sydney, 18 per cent preferred Mr. Keating, and 16 percent were undecided.

Support for Mr. Hawke was strongest among labor voters.

An editorial in THE AGE described the leadership contest as "a squabble which diminishes the combatants, demeans the system and insults the people." It did not recommend a choice, but said the public would wonder why "a bizarre deal" between Mr. Hawke and Mr. Keating in 1988 had been "dishonestly hidden."

Other newspapers combined support for Mr. Keating with various degrees of criticism of Mr. Hawke.

Rupert Murdoch's THE AUSTRALIAN said the prime minister's mandate from the people "has been tarnished by his duplicity."

It said Mr. Keating was unpopular, arrogant and "tainted by responsibility for the recession," but the fact that so many MPs supported him was a condemnation of Mr. Hawke's leadership.

THE TELEGRAPH MIRROR paid tribute to Mr. Hawke's "legendary" and "enormous" achievements for the party and in government, but said, "if Mr. Hawke decides to stay and fight, the Labor Party must bite the bullet and replace him with Mr. Keating."

A third Murdoch paper, THE ADELAIDE ADVERTISER, called the contest an "unsavoury farce" but concluded that Mr. Keating "deserves the chance" to run the country.

THE SYDNEY MORNING HERALD described Mr. Keating as "the party's future (and) its most respected minister."

THE CANBERRA TIMES poured scorn on Mr. Hawke for rejecting Mr. Keating's demand for a secret ballot at a caucus meeting on Friday, and said: "In short, Mr. Hawke's time is up."

'Intensive Lobbying' Continues

BK0206071291 Melbourne Radio Australia in English 0500 GMT 2 Jan 91

[Text] In Australia, there is continuing intensive lobbying this weekend by the prime minister, Bob Hawke, and the deputy, Paul Keating, in the lead-up tomorrow's caucus meeting to decide who will be the country's prime minister.

Mr. Hawke's supporters say he will win tomorrow's caucus vote by a comfortable margin while Mr. Keating's group says his campaign is steadily gathering momentum. Political correspondent Graeme Wool says there are strong hopes that the ballot will put an end to the instability now surrounding the leadership at the ruling Labor Party.

[Begin recording] Mr. Keating has threatened to challenge again from the back bench if he loses. That is why Mr. Hawke wants a decisive victory and why his supporters are saying it is a winner-take-all contest tomorrow.

Labor's National Secretary (Bob Hall) said he preferred the loser to remain in Parliament and acknowledges that if tomorrow is not conclusive, the party has a substantial ongoing problem.

Mr. Keating will make a television appearance today as he uses every opportunity to convince caucus members why he, not Bob Hawke, has the best credentials to convince the voting public to give Labor a fifth term in office.

The Labor faction's senior minister, Brian Howe, returns from overseas today. He is supporting Mr. Hawke and will nominate for deputy leader if the position is declared open. Mr. Keating has not ruled out anyone as his deputy leader, including Mr. Howe. [end recording]

Keating Speaks on Eve of Vote

BK0206105091 Hong Kong AFP in English 0940 GMT 2 Jun 91

[By Robert Holloway]

[Text] Canberra, June 2 (AFP)—The Australian Government should pay more attention to Asia, Deputy Prime Minister Paul Keating said Sunday on the eve of a crucial vote on his bid to replace Bob Hawke as prime minister.

Speaking on television, Mr. Keating said Australia was not giving enough thought to its relations with its populous neighbour Indonesia or with Japan.

He also implied that he would take a tougher line than Mr. Hawke with the United States.

The interview was broadcast 24 hours before the caucus of 110 labor MP's was due to vote on the leadership of Australia's ruling party.

Mr. Keating acknowledged that he would have to leave the cabinet if Mr. Hawke wins.

Opinion polls published on Saturday and Sunday suggested that up to three-quarters of voters prefer Mr. Hawke to his deputy.

But Mr. Keating, who is treasurer (finance minister) and in overall charge of the nation's economy, denied that recession and high unemployment made him an electoral liability for the party.

"I have been a tough treasurer for tough times, but I've been a tough treasurer with a Labor heart," he said.

Indirectly addressing Labor's 32-strong left-wing faction, who were mostly thought to support Mr. Hawke, he said: "The fulfillment of the biggest left wing agenda has come from the office of the treasurer."

The senior left-wing faction member, Health Minister Brian Howe, expressed support for Mr. Hawke on Sunday after breaking off a trip to Europe to return for Monday's vote.

But Mr. Keating's chances seemed to improve when Labor's National Secretary Bob Hogg said he would not tolerate attempts to intimidate MP's.

The 19 Labor MP's in the northeastern state of Queensland were reported to be under heavy pressure from local party branches and unions to back Mr. Hawke.

Mr. Hogg warned that threats by local branches to drop MP's who voted for the loser in the leadership struggle "could threaten the stability of the Queensland government and party."

Mr. Hawke has been prime minister since 1983 and has won four general elections in a row, but Mr. Keating, who at 47 is 14 years younger than the prime minister, said it was time for "a generational change."

Mr. Keating claimed he could "provide better government— that is, in terms of direction, strategy, esprit de corps, enthusiasm, and dare I say it, where necessary a touch of excitement."

He painted a picture of a government "slowly ebbing out of office" if Mr. Hawke wins Monday's vote.

But his most cutting comment on Mr. Hawke's leadership came as he discussed foreign policy.

Without mentioning the prime minister by name, Mr. Keating said: "I'm not going to be in a position ... where I spring to attention the moment an American President picks up the phone."

Australia, Mr. Keating continued, "has got the right to the dignity of an independent view."

The remarks echoed public criticism which Mr. Hawke attracted by promptly and unconditionally supporting the United States right from the start of the Gulf crisis last August.

Australia was one of the first countries to send warships to the Gulf to enforce U.N. sanctions against Iraq.

"I think the government has had a very successful foreign policy and Bob has been part of that," Mr. Keating added. "But we could have a better idea of the region we live in. I don't think we pay enough attention to Indonesia. We certainly don't pay enough attention to Japan."

Mr. Keating acknowledged that he regarded the alliance with the United States as "important," but went on: "It has to be on a position of dignity and relative independence."

The treasurer recalled occasions when he said he had stood up to the United States in international economic meetings.

"I gloved the Americans when it suited me at the IMF (International Monetary Fund) and the OECD (Organisation for Economic Cooperation and Development)," he said.

"I had a big argument with them to get agriculture on the GATT agenda at the OECD in 1986 and 1987," he added. Australia is a leading member of the Cairns Group of agricultural exporters in the General Agreement on Tariffs and Trade.

Hawke Wins Labor Party Vote

BK0306005691 Hong Kong AFP in English 0052 GMT 3 Jun 91

[Text] Canberra, June 3 (AFP)—Australian Prime Minister Bob Hawke beat off a leadership challenge from his deputy, Paul Keating, in a vote of the Labor Party caucus here Monday.

MP's voted by 66 to 44 to keep Mr. Hawke as leader.

A caucus spokesman announced that MPs would reconvene at 11:30 A.M. (0130 GMT) to elect a new deputy leader.

Hawke Pledges To Lead Labor to 1993

BK0306014691 Hong Kong AFP in English 0140 GMT 3 Jun 91

[Text] Canberra, June 3 (AFP)—Australian Prime Minister Bob Hawke said he would lead the Labor Party into a general election in 1993 after beating off a leadership challenge from his deputy, Paul Keating, Monday.

Mr. Keating immediately resigned as deputy prime minister and as treasurer, or finance minister, after a secret ballot of Labor MPs produced a vote of 66 to 44 in favour of Mr. Hawke.

Mr. Hawke told a news conference that Mr. Keating had assured him that there would be no new challenge. But the prime minister said he was cancelling a trip to Europe which he had been due to start Tuesday.

It was necessary "to start a healing process" in the party, he said.

Mr. Hawke said he expected left-wing Health Minister Brian Howe to be elected as the new deputy party leader.

The 110-strong labor caucus was due to meet again at 11:30 A.M. (0130 GMT) to elect a new deputy leader.

The Australian dollar was almost unmoved by the result, edging up from 75.90 U.S. cents to 75.95.

"It was a pretty decisive result," a Macquarie Bank dealer said. "The market is waiting to see who will be the new treasurer."

Addressing a news conference in Parliament House, Mr. Hawke thanked Mr. Keating for his contribution to the government over eight years and said he was "sad" to see his deputy go.

Other senior cabinet ministers earlier said that Mr. Keating should quit politics if his challenge failed.

"This has left an unhappy taste in the mouths of a significant number of members of the caucus," Foreign Minister Gareth Evans said.

Mr. Keating made his challenge after disclosing last Thursday that Mr. Hawke had made a secret promise in 1988 that he would stand down in Mr. Keating's favour after the 1990 election.

Keating To Remain in Parliament

BK0306052891 Hong Kong AFP in English 0448 GMT 3 Jun 91

[Text] Canberra, June 3 (AFP)—Australian Prime Minister Bob Hawke defeated a challenge to his leadership from his deputy, Paul Keating, Monday and said he would lead the Labor Party into the next general election in 1993.

Mr. Keating immediately resigned as deputy prime minister and as treasurer, or finance minister, and promised not to make another bid for the leadership.

"There will be no further challenge from me," Mr. Keating told a news conference after the caucus of Labor MP's voted in a secret ballot by 66 to 44 in favour of Mr. Hawke.

The caucus overwhelmingly voted in favour of Health Minister Brian Howe, leader of the party's left-wing faction, to succeed Mr. Keating as deputy prime minister. R. Howe defeated backbencher Graeme Campbell by 81 votes to 18.

After being re-elected party leader, Mr. Hawke cancelled a trip to Europe which he had been due to start on Tuesday.

He said Mr. Keating had accepted defeat "graciously," but it was necessary to set about "healing the wounds" in the party.

The Australian dollar drifted downwards in thin trading after Mr. Hawke's re-election. At midday, it was trading at 75.77 U.S. cents, compared with Friday's close of 76.08.

"The market is waiting to see who will be the new treasurer," one dealer said, but he added that the dollar had been weakened by figures on Monday showing a 70 per cent jump in the current account deficit in April.

Mr. Hawke hinted that he appoint a new treasurer on Tuesday, saying: "I'm treasurer for the day."

Addressing a news conference, Mr. Hawke said he was "sad" to lose Mr. Keating as a colleague.

He thanked him for "the tremendous service he has given this country as treasurer and providing me with ... One of the outstanding combinations in post-war politics."

Mr. Hawke, winner of a record four successive general elections for labor, said, "I am determined to do everything within my capacity to lead my party to victory in 1993."

Mr. Keating insisted at his news conference that he would not issue a new challenge to Mr. Hawke.

"The fact is I only had one shot in the locker and I fired it," he said.

He said he would remain in parliament at least until the next election, but when asked if he would accept another ministerial post replied: "I don't think so.